Health

Annual Report
2013-14

Alberta
Government

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Preface

Public Accounts 2013-14

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Management Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 19 ministries.

The annual report of the Government of Alberta contains ministers' accountability statements, the consolidated financial statements of the Province and The *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

This annual report of the Ministry of Health contains the minister's accountability statement, the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- **the financial statements of entities making up the ministry including the Department of Health, and provincial agencies for which the minister is responsible,**
- **other financial information as required by the *Financial Administration Act* and *Fiscal Management Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.**

For financial information relating to Alberta Health Services, which is accountable to the Minister of Health, please visit the Alberta Health Services website at www.albertahealthservices.ca.

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2014, was prepared under my direction in accordance with the *Fiscal Management Act* and the government's accounting policies. All of the government's policy decisions as at June 6, 2014 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed by]

Fred Horne
Minister of Health

Message from the Minister

The past fiscal year featured many accomplishments that aligned with our business plan goals of ensuring Albertans have access to innovative, high quality primary and community-based health care and support services, and enhancing health system accountability and performance.

The high quality of health care provided in Alberta has made significant improvements over the past several years, and under the leadership of Alberta Health Services new CEO Vickie Kaminski, our province will continue to be a national leader.

Primary and community-based health care

Providing Albertans with community-based health care closer to home is a priority for our government. To help achieve this goal, we were pleased to move forward on a number of initiatives for the benefit of Albertans.

We expanded the scope of pharmacists to provide primary health care services to Albertans. These services include customized medication assessments, tobacco cessation counselling and new medication management tools for diabetics. These changes are further supported by a new four-year agreement with the Alberta Pharmacists' Association.

We opened the new Central Alberta Cancer Centre in Red Deer, which means fewer people will need to travel to Edmonton or Calgary to access cancer services and treatment.

A new 7-year compensation agreement was reached with Alberta's physicians. This will provide stability and ensure patient-centred care and a strong health system for years to come.

Physician Assistants (PAs) were introduced into the health care system to help patients get the care they need more quickly. The PAs will perform routine duties such as taking a patient's history and ordering lab tests in order to allow doctors to spend more time with patients.

The Seniors Property Tax Deferral program was implemented to give seniors the option to defer their residential property taxes to keep extra money in their pockets and enable them to stay in their homes longer.

Government grants totalling almost $75 million were approved and funding will be provided over the next several years to support the building of new supportive living spaces in Calgary, Red Deer, Rocky Mountain House, Valleyview, Slave Lake, Boyle and Sundre.

Wellness

Our priority to improve Albertans' wellness was achieved in numerous ways.

Alberta's cancer plan entitled *Changing Our Future: Alberta's Cancer Plan to 2030* was released. The plan maps out 10 strategies to transform co-ordination of care for patients, clinicians and researchers, with the goal of preventing most cancers, curing more cases of cancer, and reducing the suffering of those affected by cancer.

We implemented an Insulin Pump Therapy program for Albertans with Type 1 diabetes. Those who meet clinical criteria can receive coverage for insulin pumps and basic diabetic supplies through the program, which helps diabetics manage their condition and improves their quality of life.

After passing the *Human Tissue and Organ Donation Amendment Act* in the fall of 2013, the government has taken steps to make it easier for Albertans to register their intent to donate, including most recently the development of an online registry. Later this summer, Albertans will also be able to indicate their intent to donate when they renew identification such as driver's licenses at registry agents throughout the province.

Government also supported two pieces of legislation that will protect Albertans from the harmful effects of tobacco. The legislation prevents the sale of flavoured tobacco products and will make it illegal to smoke in a vehicle in which minors are present. It will also prevent the use of tobacco-like products (such as waterpipes) in public places. Both pieces of legislation will be proclaimed in stages in order to give Albertans and the province's businesses time to transition to the required changes.

We have also had the most successful flu vaccination campaign in Alberta's history with over 1 million Albertans immunized, many of which received their flu shot in pharmacies across our province, providing care close to home for many Albertans.

We also announced steps to protect all young Albertans from a cancer causing virus by offering the human papillomavirus (HPV) vaccine to Grade 5 male students in fall 2014. A four-year catch-up program will also be available for Grade 9 boys.

Following the 2013 floods, mental health resources were consolidated under the responsibility of a new Chief Mental Health Officer, Dr. Michael Trew, to help flood victims cope with the emotional and psychological consequences of the disaster. Government responded to increased mental health needs following the floods by pledging $50 million over two years to support immediate and future mental health needs. This includes $23 million towards mental health capacity building projects in over 153 schools in 55 Alberta communities.

Accountability and performance

The *Alberta Health Act* came into force on January 1, 2014. In conjunction with the Act, the government established a Health Charter and began establishing a Health Advocate's office to assist Albertans in navigating the health system. The Health Advocate, the current Mental Health Patient Advocate and a new Seniors' Advocate are located in the Health Advocate's office.

Through these many programs and initiatives we have been able to continue to move our health system forward to help Albertans live healthy lives through community-based care close to home.

[Original signed by]

Honourable Fred Horne
Minister of Health

Management's Responsibility for Reporting

The Ministry of Health includes:

- The Department of Health
- Alberta Health Services
- Health Quality Council of Alberta
- Alberta Innovates – Health Solutions

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Minister of Health. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – information agrees with underlying data and the sources used to prepare it.
- Understandability and Comparability – current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- Completeness – performance measures and targets match those included in Budget 2013.

As Deputy Minister, in addition to program responsibilities, I am responsible for the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, the President of Treasury Board and the Minister of Finance, and the Minister of Health information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Fiscal Management Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

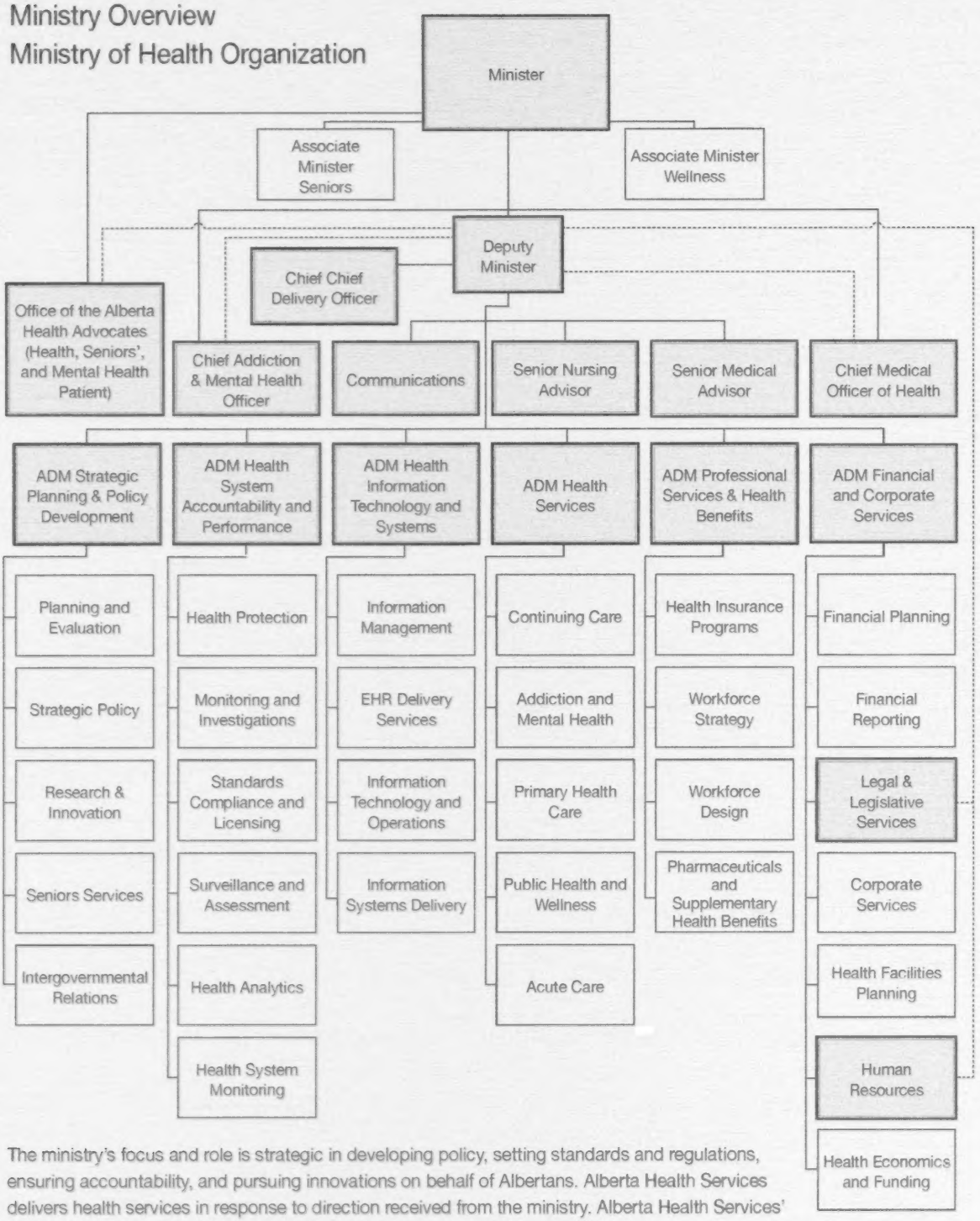
[Original signed by]

Janet Davidson
Deputy Minister, Ministry of Health
June 6, 2014

Results Analysis

Ministry Overview

Ministry of Health Organization



The ministry's focus and role is strategic in developing policy, setting standards and regulations, ensuring accountability, and pursuing innovations on behalf of Albertans. Alberta Health Services delivers health services in response to direction received from the ministry. Alberta Health Services' specific plans for delivering health services, and its priorities for the health system, can be found in its Strategic Direction Plan, which can be accessed at www.albertahealthservices.ca.

Vision, Mission and Core Businesses

Vision: *Healthy Albertans in a Healthy Alberta.*

The achievement of this vision is everybody's responsibility. The Ministry of Alberta Health plays a leadership role in achieving this vision through our mission, core businesses and goals.

Mission: *Alberta Health sets policy and direction to achieve a sustainable and accountable health system, promote and protect the health of Albertans, and support the well-being and independence of seniors. Its core business is improving Albertans' health status over time.*

The ministry fulfills this mission through its core business: Effective leadership and sound governance of Alberta's health system which is supported by corresponding business plan goals.

Core Business: *Effective leadership and sound governance of Alberta's health system*

Goal 1 – Enhanced health system accountability and performance

Goal 2 – Improving wellness of Albertans by protecting and promoting health

Goal 3 – Albertans have access to innovative, high quality primary and community based health care and support services

AUDITOR GENERAL *Alberta*

Review Engagement Report

To the Members of the Legislative Assembly

I have reviewed the performance measure identified as reviewed by the Office of the Auditor General in the Ministry of Health's Annual Report 2013–2014. The reviewed performance measure is the responsibility of the ministry and is prepared based on the following criteria:

- *Reliability* – The information used in applying performance measure methodology agrees with underlying source data for the current and prior years' results.
- *Understandability* – The performance measure methodology and results are presented clearly.
- *Comparability* – The methodology for performance measure preparation are applied consistently for the current and prior years' results.
- *Completeness* – The goal, performance measure and related target match those included in the ministry's budget 2013.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the ministry.

A review does not constitute an audit and, consequently, I do not express an audit opinion on the performance measure. Further, my review was not designed to assess the relevance and sufficiency of the reviewed performance measure in demonstrating ministry progress towards the related goal.

Based on my review, nothing has come to my attention that causes me to believe that the performance measure identified as reviewed by the Office of the Auditor General in the ministry's annual report 2013–2014 is not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability and completeness as described above.

[Original signed by Merwan N. Saher, FCA]

Auditor General

May 13, 2014

Edmonton, Alberta

Performance measure reviewed by the Office of the Auditor General is noted with a double asterisks (**) on the Performance Measures Summary Table.

Performance Measures Summary Table

Goals/Performance Measure(s)		Prior Year's Results				Target	Current Actual
1.	**Enhanced health system accountability and performance**						
1.a*	Satisfaction with health care services received: Percentage of Albertans satisfied or very satisfied with health care services personally received in Alberta within the past year	61% (2009-10)	67% (2010-11)	62% (2011-12)	63% (2012-13)	**65%**	66% (2013-14)
2.	**Improving wellness of Albertans by protecting and promoting health**						
2.a	Influenza immunization: Percentage of Albertans who have received the recommended annual influenza immunization ***						
	• Seniors aged 65 years and over	56% (2009-10)	59% (2010-11)	61% (2011-12)	60% (2012-13)	**75%**	64% (2013-14)
	• Children aged 6 to 23 months	16% (2009-10)	25% (2010-11)	29% (2011-12)	30% (2012-13)	**75%**	34% (2013-14)
	• Residents of long-term care facilities	91% (2009-10)	90% (2010-11)	91% (2011-12)	89% (2012-13)	**95%**	88% (2013-14)
2.b	Sexually transmitted infections: Rate of newly reported infections (per 100,000 population)***						
	• Chlamydia	379.3 (2009)	356.1 (2010)	371.2 (2011)	393.6 (2012)	**310.0**	399.6 (2013)
	• Gonorrhea	43.8 (2009)	32.5 (2010)	39.6 (2011)	52.7 (2012)	**30.0**	49.2 (2013)
	• Infectious Syphilis	7.7 (2009)	4.7 (2010)	2.4 (2011)	3.2 (2012)	**4.0**	2.9 (2013)
	• Congenital Syphilis: Rate per 100,000 births (live and still born)	13.6[R] (2009)	11.9[R] (2010)	3.9[R] (2011)	0 (2012)	**0**	0 (2013)
2.c	Childhood immunization rates (by age 2):						
	• Diphtheria, tetanus, pertussis, polio, Hib	77% (2009)	73% (2010)	74% (2011)	73% (2012)	**97%**	74% (2013)
	• Measles, mumps, rubella	87% (2009)	86% (2010)	86% (2011)	84% (2012)	**98%**	85% (2013)
2.d**	Healthy Alberta Risk Trend Index (HARTI): Average number of health risk factors per person aged 20 to 64 years	2.15 (2008)	2.20 (2009)	2.17 (2010)	2.17 (2011)	**2.11**	2.22 (2012)

Goals/Performance Measure(s)		Prior Year's Results				Target	Current Actual
3.	**Albertans have access to innovative, high quality primary and community based health care and support services**						
3.a	Access to primary care through Primary Care Networks: Percentage of Albertans enrolled in a Primary Care Network ***	55% (2008-09)	60% (2009-10)	67% (2010-11)	72% (2011-12)	**72%**	74% (2012-13)
3.b	Patient safety: Percentage of Albertans reporting unexpected harm to self or an immediate family member while receiving health care in Alberta within the past year	9% (2009-10)	12% (2010-11)	11% (2011-12)	11% (2012-13)	**7%**	11% (2013-14)
3.c	Access to continuing care: Percentage of clients placed in continuing care within 30 days of being assessed	---	---	64% (2011-12)	67% (2012-13)	**75%**	69% (2013-14)
3.d	Access to childrens' mental health services: Percentage of children aged 0 to 17 years receiving scheduled mental health treatment within 30 days	---	75% (2010-11)	76% (2011-12)	80% (2012-13)	**92%**	81% (2013-14)

*** Indicates Performance Measure has been audited by the Office of the Auditor General as part of Measuring Up 2014**

**** Indicates Performance Measure has been reviewed by the Office of the Auditor General as part of the Alberta Health 2013-14 Annual Report**

The HARTI was selected for review by ministry management based on the following criteria established by government:

- Enduring measures that best represent the goal.
- Measures for which new data is available.
- Measures that have well established methodology.

Note:

Measure 2.d. Healthy Alberta Risk Trend Index (HARTI): Average number of health risk factors per person aged 20 to 64 years — Result for 2013 is not available for reporting in the 2013-14 Annual Report. The result is between 0 and 6, where from a risk factor perspective 0 would be most healthy and 6 would be most unhealthy (in terms of risky health behaviours for each indicator making up the HARTI – see Methodology section of this report for further details).

***** Notes:**

Measure 2.b Influenza immunization — Data are collected during the influenza season, when the vaccine is administered, which is typically from October 1 to March 31 each year. However, there may be immunization events which fall outside this range depending on how long the influenza virus circulates in Alberta, which are not included in the immunization rate data.

[R] – Revised historical results.

Measure 2.c Sexually transmitted infections: Rate of newly reported infections (per 100,000 population) Chlamydia; Gonorrhea; Infectious Syphilis; Congenital Syphilis: Rate per 100,000 births (live and still born). The 2013 results are preliminary and accurate as of December 31, 2013. In previous years, the case data was not available as a significant time period is required to confirm the diagnosis for possible cases. Once a case is confirmed, it is reported to Alberta Health; annual data must then be updated to reflect the new information.

Measure 3.a. Access to primary care through Primary Care Networks: Percentage of Albertans enrolled in a Primary Care Network — Result for 2013-14 is not available for reporting in the 2013-14 Annual Report.

For more detailed information, see the Performance Measures – Data Sources and Methodology section of the annual report, pages 29 to 35.

Discussion and Analysis of Results

Goal 1: Enhanced health system accountability and performance Linked to Core Business – Effective leadership and sound governance of Alberta's health system

Achievements

Priority Initiative

1.1 Develop an Alberta-based Health System Outcome and Measurement Framework able to inform health system planning, jurisdictional comparison and support the minister's role in publicly reporting on the performance of Alberta's health system.

- The Outcomes and Measurement Framework received ministerial approval and was made available to the public in December 2013: (www.health.alberta.ca/documents/Outcomes-Measurement-Framework-2013.pdf).
- Alberta Health and Alberta Health Services worked in collaboration to develop the Framework; external stakeholders such as the Health Quality Council of Alberta, the Canadian Institute of Health Information, Alberta Innovates Health Solutions and the College of Physicians and Surgeons also provided input and feedback into the Framework.
- The Framework serves as a foundational document for Alberta's health system, as it helps define medium-to-long term strategic directions and support strategic planning and evaluation by Alberta Health and Alberta Health Services. It also guides the selection and development of outcome measures to drive health system improvement and investment in areas of strategic importance. The embedded logic modeling will support understanding of how programs directly contribute to the overall outcomes Alberta Health is trying to achieve.
- Alberta Health is leading the Results-Based Budgeting reviews for Health and Wellness lines of business. The reviews utilize the Framework to assess the relevance, effectiveness and efficiency of our current program investments. The reviews for primary health care and health benefits totalling $6 billion were complete in May 2013. The acute care, continuing care and wellness reviews totalling $11.6 billion are underway and will be complete by fall 2014.

1.2 Lead the health capital planning process and ensure capital priorities are aligned with the business plan, action plans and service plans.

- In 2013-14, after close collaboration between Alberta Health, Alberta Health Services and Alberta Infrastructure, there was realignment of capital priorities to better match key service delivery needs and pressures across the province. Although some prior approved projects did not proceed, such as the phase 2 of the new Strathcona Hospital in Sherwood Park, funding was provided for key provincial priorities such as advancing the Cancer Center project in Calgary.
- In addition to providing capital funding for the many previous approved capital projects capital funding was also provided for province-wide heliport upgrades, the Stollery Children's Hospital Critical Care Program, vascular surgery and women's health projects at the Peter Lougheed Hospital in Calgary, the exterior maintenance of the Northern Lights Regional Health Centre in Fort McMurray, planning the Whitecourt Hospital and continued support for the Alberta Supportive Living Initiative to build more supportive living spaces across the province.

Key Performance Measure and Result

Measure 1.A Satisfaction with health care services received

This measure identifies Albertans' overall satisfaction with health care services personally received in Alberta within the past year. The 'drivers' of satisfaction, according to the Health Quality Council of Alberta, include the ease of access to health care services, quality of services received, coordination of health services, and satisfaction with the handling of complaints, if any.

Patient satisfaction is a crucial and critical dimension of quality; it is an indicator of the structure, process, and outcomes of care in Alberta's health care system. The information provides high level insights into the consequences of policy and strategic changes from the perspective of a key health care partner – Albertans. Measuring satisfaction supports quality improvement and the objective of delivering high quality patient-centered care.

The 2013-14 result for this measure (66% of Albertans satisfied or very satisfied with health care services received) is not statistically significant from previous years, but the result has surpassed the 2013-14 target of 65%, outlined in the 2013-16 Alberta Health Business Plan. This result may be attributed to a number of positive changes in Alberta's health care system in the past year. In the past year, Alberta Health Services has: increased the number of home care providers in the province; introduced physician assistants as a way of helping patients get the care they need more quickly; opened a new cancer centre in Red Deer; expanded access to human papilloma virus (HPV) vaccinations and mental health supports for children and families; and launched CancerControl as part of the April 2013 release of Changing Our Future: Alberta's Cancer Plan to 2030.

In addition to these achievements, other healthcare issues may have affected the outcome of this measure. For example, media reporting may have contributed to negative public perception of the health system in Alberta.

	2009-10	2010-11	2011-12	2012-13	2013-14	Target 2013-14
Satisfaction with health care services received: Percentage of Albertans satisfied or very satisfied with health care services personally received in Alberta within the past year.	61%	67%	62%	63%	66%	**65%**

Source: Health Quality Council of Alberta. *Satisfaction and Experience with Health Care Services: A Survey of Albertans* (2010, 2012, 2014). Health Quality Council of Alberta. *Provincial Survey about Health and the Health System in Alberta* (2011, 2013).

GOAL 2: Improving wellness of Albertans by protecting and promoting health. Linked to Core Business – Effective leadership and sound governance of Alberta's health system

Achievements

Priority Initiative

2.1 Support a cross-ministry approach to early childhood development in Alberta.

- Alberta Health, in collaboration with Human Services and Education, supported developing a one government approach to early childhood development by participating on Advisory Committees and Working Groups providing guidance and direction from Alberta Health's perspective.
- Supported by $2.67 million in grant funding over three years, new and expanded programs aimed at improving maternal-infant health, are being delivered to pregnant women. The programs, which include the H.E.R. Pregnancy Program, Centering Pregnancy®, and Mental Health Supports for

Pregnant or Parenting Teens, have been developed or enhanced to address gaps in service to populations of women at-risk of poor birth outcomes. An additional $1.4 million was granted to Alberta Health Services to build on their comprehensive Healthy Parents, Healthy Children resources to ensure all Alberta women and their families have access to consistent, evidence-based information regarding pregnancy and the early years.

2.2 Implement a long-term plan to promote wellness including Wellness Alberta — A Strategy for Action 2012-22 and new mechanisms to support community based initiatives.

- Alberta's Strategic Approach to Wellness, a guiding policy document was developed by government with Alberta Health as the lead and released on October 2, 2013. This policy framework provides a high level and compelling vision for wellness in the province that is driven by cross-ministry and intersectoral collaboration, a health determinants approach, community and citizen engagement, and strong public policy.
- The International Wellness Symposium was held on October 1-2, 2013. The event inspired and nurtured wellness champions, provided networking opportunities, enhanced wellness activities, and demonstrated the commitment by government to wellness. The symposium had 382 registered delegates.
- A Workplace Wellness Summit was held on September 30, 2013 as a special pre-symposium session that focused on learning, sharing and applying best practices in workplace wellness, with over 120 delegates from 76 organizations participating.
- Alberta Health continues to provide healthy living information and education through the Healthy U website, healthyalberta.com, and social media sites such as Facebook and Twitter.
- Alberta's Communities Choosewell initiative, managed by the Alberta Recreation and Parks Association and funded by Alberta Health, offers healthy eating and active living resources, educational webinars, programming options and small start-up grants to support communities to promote wellness and reduce barriers to healthy living. This year, 180 communities have signed up and are participating in becoming healthier communities. Community leaders involved with Alberta's Communities Choosewell report that the program adds value in their efforts to encourage healthy eating and active lifestyles, with 96.9% of community leaders indicating that the program has positively influenced their thinking and local activities.
- UWALK, designed by the University of Alberta and launched in September 2013, encourages Albertans, community groups and worksites to be more physically active through walking. UWALK's website (www.uwalk.ca) has individual and group challenges, provides goal setting information, and keeps track of steps and time spent being active. More than 2,400 Albertans have registered on UWALK. UWALK pedometers are available as loans from many library branches throughout Alberta. UWALK supports Primary Care Networks Prescription through its website which will allow participants to self-monitor their physical activity goals.

2.3 Promote a strong foundation for public health. Key priority areas are sexually transmitted infections (STI) and blood borne pathogens, environmental public health, Aboriginal wellness, and healthy weight for children and youth.

- A provincial STI prevention campaign targeting Albertans 16-29 years of age was implemented in the fall of 2013. This eight-week campaign consisted of:
  - TV advertisement, video boards and posters in bars and lounges, on-line and cinema ads and outreach activities to bars (Edmonton and Calgary) promoting the campaign.
  - A comprehensive website created to help inform young Albertans about STI risk factors, clinical services and healthy sexual behaviour.

- Results included:
  - Approximately 24,000 unique visitors to the website within a 3 month period;
  - 6,000 personal interactions through outreach activities to bars; and,
  - Over 5,000 posters distributed across the province by community-based organizations and health professionals.
- In 2013-14, the Alberta Community HIV Fund provided funding to 11 HIV/AIDS service organizations to undertake key prevention, harm reduction, care and support, and capacity building activities.
- The SHARP Foundation in Calgary was funded to develop and implement an on-line interactive training program for front-line service providers working with individuals with complex needs as a way to promote and enhance prevention and management of STIs and Blood Borne Pathogens (BBPs).
- AHS – Laboratory Services were funded to implement and expand rapid HIV point-of-care testing to multiple sites across Alberta as a way to enhance early detection and access to treatment for those at-risk of HIV.
- HIV North Society in Fort McMurray undertook STI-related education activities targeting individuals working and living in northern work camps as a way to encourage STI and BBP prevention and testing.
- Kimamow Atoskanow Foundation (KAF) delivered education programs targeting Aboriginal people currently incarcerated within provincial corrections institutions.
- Alberta Health funds the University of Alberta to implement "Why Act Now", a program to improve the health and wellness of urban Aboriginal youth in Edmonton. The University has developed partnerships with Amiskwaciy Academy, Inner City Youth Development Association, and Boys & Girls Club Big Brothers Big Sisters, and information collected from over 300 Aboriginal and new immigrant youth is being used to guide the development of programs addressing behaviours such as physical activity, nutrient intake and access to health services.
- As part of the Healthy U initiative to support and encourage Albertans to lead healthier lifestyles by providing information and resources on healthy eating and active living, the 5&1 Experiment campaign was launched in May for children 6-12 years and their parents. The 5&1 Experiment offers creative ways to try for at least 5 servings of vegetables/fruits and 1 hour of physical activity daily.
- Forty-two fun experiments were created that can be accessed from www.healthyalberta.com, a free mobile app for iOS and android users, and a 10 experiment sampler kit.
- Launch week featured high-energy school rallies for more than 2,000 students which were co-hosted by Associate Minister of Wellness and YTV personality Andy Chapman, together with the Healthy U Crew. On-line, radio and exterior transit advertising helped create awareness of the 5&1 Experiment, among parents.
- The Healthy U Crews' grassroots engagement May – August reached 38 urban and rural communities and over 129,000 Albertans through 183 visits to major events, grocery stores and recreation centres.
- Over 200,000 printed resources and experiment kits aimed at supporting Albertans in healthy eating and active living were distributed.
- The 5&1 Experiment campaign earned a Gold Media Innovation Award from Marketing Magazine in the Niche Target and Multicultural category. An evaluation of this campaign and the 2012 "Be a Health Champion" campaign is underway.
- The Alberta Healthy School Community Wellness Fund has funded 239 projects to date, which includes 53/61 school districts to support the advancement of comprehensive school health across the province. Data from reporting projects indicate positive improvements are being made in the areas of healthy eating, physical activity, healthy relationships and positive school environments, including positive mental health.

- The Health Lens for Public Policy (HLPP) tools and supporting materials have been finalized, and the HLPP process is now ready to be implemented and evaluated with select workgroups within Alberta Health.
- Under the Infection Prevention and Control (IPC) Strategy, medical device reprocessing training and educational materials were developed for regulatory bodies and two 1-day educational forums (Calgary and Edmonton) were held for front-line staff who reprocess in community settings.

2.4 Implement Addressing Elder Abuse in Alberta to focus efforts on awareness, prevention and supporting communities and stakeholder organizations in developing effective responses to elder abuse.

- Collaborated with the Alberta Elder Abuse Awareness Network to develop awareness-raising videos which were disseminated to community stakeholders and the public. The videos were also aired on Health Unlimited Television, which plays in a variety of medical offices throughout Alberta.
- Provided training to approximately 260 front-line service providers throughout Alberta, including approximately 50 Government of Alberta staff, to increase their knowledge about elder abuse and how to respond to its various forms. As a result of these activities, there are now more than 500 trained service providers in Alberta.
- Worked with communities throughout Alberta, both regionally and individually; to enhance their capacity to work collaboratively with various sectors and partners to effectively support victims of elder abuse. Community dialogues were held in areas such as Grande Prairie, Camrose, Red Deer, Fort McMurray, Lethbridge, Medicine Hate, Hinton, Bassano, Taber, Whitecourt, Wainwright, Bonnyville and Westlock.

2.5 Implement the renewed Tobacco Reduction Strategy priority initiatives to reduce tobacco use rates and to protect Albertans from the harms of tobacco.

- Bill 33 – *Tobacco Reduction Amendment Act*, 2013 and Bill 206 – *Tobacco Reduction (Flavoured Tobacco Products) Amendment Act*, 2013 were introduced in the Legislative Assembly of Alberta and received Royal Assent in December 2013. Once proclaimed, the Bills will help reduce the initiation and use of tobacco and tobacco-like products among young people.
- Work on a tobacco reduction youth engagement campaign progressed and the planning phase was completed. Implementation has begun and high school youth across Alberta will be engaged in tobacco control issues.
- A tobacco and smoke-free policy (including e-cigarettes) was implemented at all Alberta Health Services sites creating more smoke-free environments in the province and providing further protection from the harms of tobacco and tobacco-like smoke.
- *Tobacco Free Futures*, an integrated health systems tobacco cessation model, was implemented at 29 Alberta Health Services sites resulting in greater access to tobacco cessation services across the province.
- A nicotine replacement therapy research project was implemented at several addiction and mental health sites throughout the province. The aim of the project is to implement and assess a smoking cessation intervention for smokers with a mental health issue.

2.6 Develop and evaluate plans for the introduction of new vaccines.

- In 2013, Alberta announced that it will begin offering boys vaccine against the human papilloma virus (HPV). The virus is a sexually transmitted infection that has been linked to several kinds of cancer. Expanding the HPV program to males can save lives, reduce disease and reduce future health care costs in Alberta.

2.7 Develop and implement a strategy to enhance immunization rates in the province.

- Over a million Albertans (27 percent) received influenza vaccine in 2013-14. This is 4% higher than last year. Close to 1000 pharmacies offered the vaccine this year. Pharmacists immunized double the number of Albertans from last year.

2.8 Improve the Chief Medical Officer of Health's ability to get important public health messages to Albertans.

- Established the Chief Medical Officer of Health Twitter account to communicate important public health messages to Albertans.
- The *Let's Talk about Wellness* Engagement has been approved for fall 2014. This initiative engages Albertans in a conversation about Wellness and inspires collective action by individuals, communities, businesses, and government to create healthy communities.

2.9 Develop a provincial injury prevention initiative to reduce injury rates in Alberta.

- Engaged with expert stakeholders to identify key pillars of a targeted injury prevention strategy and development of a 'call to action' report on injury prevention, to be released in winter 2015.
- Alberta Health funds the Alberta Centre for Injury Control and Research (ACICR) to support the Centre's role in promoting effective strategies and in sharing knowledge and best practices to reduce the incidence and impact of injury in the province.
- ACICR's operations continued to be funded to support its role in promotion effective strategies and sharing knowledge to prevent injury among Albertans.
- The "Preventable" campaign – an eight-week injury awareness advertising campaign, was launched by ACICR in the fall of 2013 with funding from Alberta Health. In addition, eleven communities implemented injury prevention action plans around awareness activities on ATVs, helmet safety, distracted driving, and pedestrian safety.

2.10 Review the *Public Health Act* to confirm it is up to date and reflects current and future public health requirements.

- Review of the *Public Health Act* is ongoing and includes changes to regulations for alignment with current and future public health requirements.

2.11 Implement the Seniors Property Tax Deferral program, starting in 2013, to assist senior homeowners to remain in their own homes and communities.

- The Seniors Property Tax Deferral program was successfully implemented in 2013 and the first payments under the program were made in May 2013. Over 1,700 applications were received and approximately 1,500 loans have been provided for 2013-14.
- Continuous collaboration with stakeholders including municipalities and their associations (AUMA and AAMDC) to ensure senior homeowners are aware of this program.

2.12 Implement the Aging Population Policy Framework, with a specific focus on the facilitation of Age-Friendly Communities and supportive environments for an aging population.

- Provided information on best practices in creating age-friendly communities, as well as new tools and resources, to over 600 community-based stakeholders, including municipalities, across Alberta.
- Worked with Alberta Chambers of Commerce to raise awareness of the benefits of creating age-friendly business environments. This has included liaising with the provincial Chamber, developing an article for the Alberta Chambers of Commerce website and a local chamber presentation.

- The ministry provided the first joint Government of Alberta/Public Health Agency of Canada Age-Friendly Alberta award to Strathcona County in recognition of their efforts towards creating an age-friendly community for citizens.

Key Performance Measures and Results

Measure 2.A Influenza immunization

Influenza has a significant impact on the health of Albertans and tends to be most severe among older Albertans, residents of long term care facilities, infants and young children, and those with certain chronic medical conditions. Hospitalizations for influenza are more likely to occur in children 6 to 23 months of age. Influenza illness can cause significant morbidity and mortality in this population and those who are ill can quickly fill acute care hospitals and emergency departments.

Alberta Health introduced a universal influenza immunization program in the fall of 2009 making influenza immunization available to all Albertans six months of age and older. Making the vaccine available to more people can improve immunization rates of high risk groups. It can also decrease their risk of contracting the virus because having a sufficient number of immune individuals can prevent chains of transmission, thereby protecting individuals who have not been immunized. This is known as herd immunity. A high level of herd immunity decreases the risk of outbreaks, morbidity and mortality.

For 2013-14, the increase in both seniors' and children's immunization rates could be due to the media attention provided by the Minister of Health as he promoted influenza immunization through December and January, thereby causing the public surge to be immunized.

	2009-10	2010-11	2011-12	2012-13	2013-14	Target 2013-14
Influenza immunization: Percentage of Albertans who have received the recommended seasonal immunization:						
• Seniors aged 65 and over	56%	59%	61%	60%	64%	**75%**
• Children aged 6 to 23 months	16%	25%	29%	30%	34%	**75%**
• Residents of long-term care facilities	91%	90%	91%	89%	88%	**95%**

Source: Numerator data (count of those immunized by age category): Alberta Health Services Zones, First Nations and Inuit Health, Health Canada, Alberta Region. Denominator data: Alberta's Interactive Health Data Application. Residents of Long Term Care in the facilities on December 15, 2013.

Note: Data are collected during the influenza season, when the vaccine is administered, which is typically from October 1 to March 31 each year. However, there may be immunization events which fall outside this range depending on how long the influenza virus circulates in Alberta, which are not included in the immunization rate data.

Measure 2.B Sexually transmitted infections

Sexually transmitted infections are an important focus for public health surveillance. These infections can results in significant health, social, emotional and economic costs, many of which will occur over the long-term.

The Alberta Sexually Transmitted Infections (STI) and Blood Borne Pathogens (BBP) Strategy and Action Plan 2011-16 focuses on reducing rates of STI and BBP among Albertans. The strategy also aims to minimize the health, social and economic consequences of these diseases. As part of the strategy, a province-wide awareness campaign (SexGerms) was launched in September/October 2013 to encourage youth and young adults to protect themselves against STIs, like gonorrhea, and get tested if needed. A comprehensive

website was a key component informing young Albertans about STI risk factors, clinical services and healthy sexual behaviour.

Since last fiscal year, the rates of chlamydia have increased somewhat; however the rates of gonorrhea and infectious syphilis have both decreased. This may be attributed at least in part to campaigns that have specifically targeted these STIs (the 2013 SexGerms campaign that highlights that "Gonorrhea is on the rise" and the 2011 "Plenty of Syph" campaign.) In addition, the AHS STI staffing complement who follow-up gonorrhea and syphilis cases increased by 12.6 Full Time Equivalents (FTEs). The Partner Notification Nurses (PNNs) goal is early identification, testing and treatment for contacts of cases. Secondary cases identified earlier in infection result in reduced transmission of the organisms to others, possibly explaining the slight drop in infection rates of gonorrhea and syphilis in 2013.

In 2013-14 there was once again no babies diagnosed with congenital syphilis. This continues to be good news resulting at least in part from efforts made in 2009 to increase public awareness about syphilis and to increase prenatal screening. In 2009, Alberta implemented enhanced syphilis screening in all pregnant women in the second trimester (24 – 28 weeks) and again at delivery. This was in addition to the routine syphilis test that is done as part of the Prenatal Screening Program for Selected Communicable Diseases. Women who screen positive would be treated thereby reducing the risk of congenital syphilis infection. As of January 1, 2012, the second trimester syphilis screening was discontinued; the screen at delivery continued.

	2009	2010	2011	2012	2013	Target 2013-14
Sexually transmitted infections: Rate of newly reported infections (per 100,000 population):						
• Chlamydia	379.3	356.1	371.2	393.6	399.6	**310.0**
• Gonorrhea	43.8	32.5	39.6	52.7	49.2	**30.0**
• Infectious Syphilis	7.7	4.7	2.4	3.2	2.9	**4.0**
• Congenital Syphilis: Rate per 100,000 live births (live and still born)	13.6[R]	11.9[R]	3.9[R]	0	0	**0**

Source: Alberta Health. CDRS-STI (Communicable Disease Reporting System- Sexually Transmitted Infection).

R – Revised Historical Results

Note: The 2013 results are preliminary and accurate as of December 31, 2013

Measure 2.C Childhood immunization rates (by age 2)

Providing immunizations for childhood diseases is a major activity of the public health system. Immunizations protect children and adults from a number of vaccine-preventable diseases, some of which can be fatal or produce permanent disabilities. A high rate of coverage is needed to protect the entire community from outbreaks of these vaccine-preventable diseases. Immunization also provides the parents of young children with the opportunity to obtain other needed health information and advice during the clinic visits.

A high rate of immunization for a population reduces the incidence of childhood vaccine-preventable diseases and outbreaks are controlled.

The targets for immunization are based on the concept of herd immunity. Herd immunity is "caused by having a sufficient number of immune individuals to prevent chains of transmission, thus protecting unvaccinated individuals".[1] A high level of herd immunity decreases the risk of outbreaks, morbidity and mortality.[2] Unimmunized individuals have been shown to have a much greater chance of acquiring a vaccine-preventable disease than those who have received the vaccine, and when vaccine coverage drops vaccine-

preventable diseases return.[3] The selected targets are also based on the targets in the Alberta Immunization Strategy, 2007-17 (97% of children have received four doses of diphtheria/tetanus/acellular pertussis, polio, Hib and 98%have received one dose of Measles/Mumps/Rubella by their second birthday).

There were several measles cases in 2013 and one outbreak in the south zone. Strategies were implemented to increase immunization rates, such as extra clinics to allow for parents to have their children immunized or updated if delayed. This included updating for diphtheria, tetanus, pertussis, polio, Hib.

	2009	2010	2011	2012	2013	Target 2013-14
Diphtheria, tetanus, pertussis, polio, Hib	77%	73%	74%	73%	74%	**97%**
Measles, mumps, rubella	87%	86%	86%	84%	85%	**98%**

Source: Numerator: Immunization/Adverse Reactions to Immunization (Imm/ARI) system. Aggregate data is obtained from First Nations sources for aboriginal children living on reserve.
Denominator: Alberta Health Population Estimates, based on mid-year (June 30) registration population estimates.
[1] McBryde, E. (2009). *Clinical Infectious Diseases*, p.685.
[2] World Health Organization (2009). *State of the world's vaccines and immunization, third edition*, p.124.
[3] Public Health Agency of Canada (2006). *Canadian Immunization Guide, Seventh edition*, p. 31.

Measure 2.d Healthy Alberta Risk Trend Index (HARTI)

This performance measure is an indicator of progress achieved towards improving healthy behaviours and reducing risks for development of disease and disabilities among Albertans ages 20 to 64 years. The HARTI is calculated using six self-reported measures from the Statistics Canada Canadian Community Health Survey (CCHS): Life Stress, Body Mass Index, Fruit and Vegetable Consumption, Physical Activity, Smoking Status, and Binge Drinking.

As an index, the changes over time will be incremental due to measuring six indicators of individual behavioural change. Trends of the six indicators that comprise the HARTI have all been mostly stable from 2003-12 with the exception of daily smoking among women, which has been decreasing, and fruit and vegetable consumption which was improving but more recently has seen a decrease. Therefore the declines seen earlier in the HARTI have been driven mostly by the declines in the number of female daily smokers and are now being offset by a decrease in the consumption of fruit and vegetables. With any of these complex health risk behaviours, shifts in the trends are driven by a range of factors including, to a large extent, other social and economic conditions and by targeted policy and program initiatives that are of sufficient reach, scope and dose to have an effective impact on whole populations.

Significant focus and resources have been invested over time in tobacco reduction and produced results. The initial 10 year Alberta Tobacco Reduction Strategy was introduced in 2002. The strategy was comprehensive and multifaceted addressing policy and legislation (including tax increases) as well as a range of prevention and cessation initiatives and programs. In 2012, Creating Tobacco-free Futures: Alberta's Strategy to Prevent and Reduce Tobacco Use, 2012-22, was released with the goal of preventing and reducing tobacco use and protecting Albertans from the harms of tobacco and second-hand smoke.

In terms of physical activity support and investment, Alberta has enjoyed consistent support between 2003 -12 for initiatives such as: Healthy U, Communities ChooseWell, Be Fit for Life Centres, Ever Active Schools, Alberta Centre for Active Living etc.

The consumption of fresh fruit and vegetables is impacted to a significant extent by income and food security issues. Much work has been done to date on the development of Alberta nutrition guidelines for children and for adults. In addition, the Healthy U 5&1 Experiment implemented in 2013 (designed to encourage kids 6-12 to eat 5 servings of fruit and vegetables and have 1 hour of activity per day) also targeted parents through a comprehensive social marketing campaign.

Binge drinking trends and self-reported life stress levels appear to have remained relatively stable over time.

	2008	2009	2010	2011	2012	Target 2013-14
HARTI: Average number of health risk factors per person aged 20 to 64 years	2.15	2.20	2.17	2.17	2.22	**2.11**

Source: Statistics Canada. Canadian Community Health Survey (CCHS): Alberta Share File (The CCHS Share File is not publicly issued).

Result for 2013 is not available for reporting in the 2013-14 Annual Report.

GOAL 3: Albertans have access to innovative, high quality primary and community based health care and support services. Linked to Core Business – Effective leadership and sound governance of Alberta's health system

Achievements

Priority Initiative

3.1 Develop a Primary Health Care and Action Plan.

- The Government of Alberta has made significant progress on several primary health care initiatives. The Primary Health Care Strategy has been completed and will be released in the coming months. The strategy describes the vision for primary health care in Alberta, and will guide all of the other primary health care initiatives. The development of this strategy involved substantial guidance and input from experts in primary health care. Work is now underway to finalize the action plan, which will set out a detailed plan for moving the strategy forward to implementation.

3.2 Develop and implement family care clinics (FCCs).

- Throughout the course of the 2013-14 fiscal year, government worked closely with prospective FCC communities to support their movement through the FCC development process. A range of service-specific future FCCs have been identified in nine communities that are focused on community needs and increasing access to primary health care for all Albertans. Work continues to support other identified FCC communities to explore options and work their way through the FCC development process. Alberta Health Services has identified potential FCC sites for future waves of FCC development.

3.3 Implement priority initiatives identified in the Alberta's Addiction and Mental Health Strategy to reduce the prevalence of addiction and mental illness in order to provide quality assessment, treatment and support services to Albertans.

- In Creating Connections: Alberta's Addiction and Mental Health Strategy we committed to critically review Alberta's addiction and mental health system. This was achieved with the release of the Gap Analysis of Public Mental Health and Addictions Programs (GAP-MAP) by Dr. Cam Wild from the University of Alberta. This document provided a systematic comparison of publicly funded addiction and mental health services and the population need for these services. It is a ground breaking report that provides the foundation for population based service planning founded on objective evidence that includes the prevalence and severity of addiction and mental disorders, perceived treatment need, an inventory of services and a review of committed financial resources.
- Under Creating Connections: Alberta's Addiction and Mental Health Strategy a comprehensive, easy to use site of addiction and mental health services was created. It can be found at www.health.alberta.ca/health-info/addiction-mental-health.html.

3.4 Continue to develop Alberta's electronic health systems and networks including information management and technology solutions based on innovative and flexible health care provider compensation models.

- The Provincial Electronic Health Record is now accessible to 46,000 care providers from across the province. In addition, the Electronic Medical Records were deployed to an additional 488 physicians in the province.
- MyHealth.Alberta Personal Health Record was launched to the public through secure single sign-on that will provide Albertans with a place to collect and consolidate their health information, both personal and from the Provincial Electronic Health Record.
- Completion of cardiac care pilot utilizing Personal Health Record including making available that Albertan's Medication information from the provincial Pharmaceutical Information Network (PIN).

3.5 Expand Albertans' access to pharmacists as front line health care professionals for medication, chronic disease assessment and management support to improve health outcomes and sustainability in the health care system.

- A new four year agreement was reached with Alberta's pharmacists that includes, predictable funding for pharmacists, transparency of prescription pricing, changes to dispensing fees and an updated pharmacy services framework that compensates pharmacists for the increased primary health care services they provide to Albertans.
- As part of this agreement, the Compensation Plan for Pharmacy Services was updated to further improve Albertans' access to health professionals in the community for a number of services, including tobacco cessation counselling. Alberta Health also continues to enable pharmacists' participation in initiatives like the influenza immunization program, which increase the access available to Albertans.

3.6 Establish a program to support cost free access to insulin pumps for eligible Albertans with type 1 diabetes.

- The Insulin Pump Therapy program was launched on June 1, 2013 to provide funding for the cost of insulin pumps and basic diabetic supplies for Alberta residents with Type 1 Diabetes Mellitus who meet eligibility criteria. The program enables patient education and training supports for the safe and appropriate use of insulin pumps.
- Over 1,000 Albertans have benefited from the program since the program was launched.

3.7 Fund an additional 1,000 continuing care spaces per year.

- Developed a capital plan for continuing care investment.
- Alberta Health Services Zone work on forecasts in progress to validate demands for continuing care services and capital needs for the short-and mid-term. Zone validation work on forecasts in progress.
- Funding envelopes for additional continuing care spaces have been established in the Health budget (Affordable Supportive Living Initiative) and in the Health Capital budget held by Infrastructure.

3.8 Develop an online tool to provide Albertans with key information on continuing care facilities in Alberta, such as wait times, available services and accommodation fees.

- A business case is being developed to enhance the public reporting website to include wait times, available services and accommodation fees. The self-reporting operator template is in the process of being revised based on final feedback received from AHS zone representatives. Work continues on the expansion of the Financial Information and Reporting Management System. Supportive living reporting templates continue to be revised to be discussed and shared with the Continuing Care Facility Comprehensive Reporting Committee.

3.9 Expand continuing care opportunities including community based hospice/palliative care.

- Collaborated with Alberta Health Services (AHS), and other stakeholders and partners, to support the development and expansion of Palliative and End-of-Life Care (PEOLC) services and programs throughout the province. A conceptual framework was developed by the ministry and AHS to guide the approach to improving and strengthening PEOLC services for Albertans.
- The PEOLC framework identifies a series of initiatives and actions related to five pillars, including: practice and standards; education and awareness; program development; partnerships and innovation; and communication. A steering committee is being established to support the framework's implementation over a three-year time frame.
- The approval of provincial home and community care and coordinated access directional policies is underway. Coordinated Access Policy drafted and currently being reviewed for alignment with the in-progress Continuing Care Strategy.

3.10 Enhance Primary Care Networks to provide individuals with a more standard and broader range of services.

- Work is also underway on further evolving Primary Care Networks (PCNs) in Alberta, in collaboration with AHS and the Primary Care Alliance. Early projects are already underway to improve patients' knowledge about the services available through their PCNs.
- An evaluation framework for primary health care has been completed. This is an essential step towards having an effective system of measurement in primary health care, in order to continuously evaluate and improve the system.

3.11 Update the Alberta health workforce strategy and implement the strategy in collaboration with Alberta Health Services.

- The ministry undertook several components of the health workforce strategy in 2013-14, including introducing physician assistants through a 3-year pilot study which aims to get patients the care they need more quickly. Alberta Health also took initial steps to regulate physician assistants in order to ensure patients receive safe and quality care.
- The ministry developed a health care aide strategy to recognize the foundational role of health care aides in the lives of vulnerable Albertans. This strategy will address policy issues related to this occupation so that Albertans can be assured they receive quality care from competent professionals.
- Alberta Health re-established the provincial Physician Resource Planning Committee in order to better organize and plan the future physician workforce, especially for rural and remote communities, so that Albertans continue to have timely access to health services.
- The ministry continued to implement the provincial policy on Collaborative Practice and Education, in order to enhance collaboration among health care providers, individuals, families and caregivers. This will increase service quality and safety and improve health outcomes in Alberta.
- In May, Alberta announced that the optometry profession's scope of practice would be expanded to include the following new areas:
  - prescribe *Schedule 1* oral and topical drugs for the examination, assessment, measurement, diagnosis, treatment, management and correction of disorders and diseases of the human visual system, the eye and its associated structures;
  - independently managing certain types of glaucoma in limited circumstances;
  - order and apply ultrasound within the practice of optometry; and
  - order laboratory tests necessary for the examination, diagnosis, treatment and management of diseases and conditions affecting the human visual system, the eye and its associated structures.

- These new areas of practice will shift primary eye care from ophthalmologists and physician general practitioners to optometrists. Eye conditions requiring non-surgical treatment such as conjunctivitis, itchy eyes, sties etc., could be treated by optometrists rather than by a physician general practitioner or ophthalmologist.
- Expanding the optometry profession's scope of practice will involve amendments to the *Optometrists Profession Regulation* (the Regulation). Regulatory amendments will be developed and circulated to Ministry stakeholder groups, including the College of Physicians and Surgeons of Alberta and the Alberta Medical Association for review and comment. Prior to being brought before Cabinet for final approval in accordance with section 131(1) of the *Health Professions Act*.
- The ministry continued to partner in 2013-14 with federal, provincial and territorial colleagues to collaborate on workforce issues across borders. Alberta Health participated on a task force to examine how to achieve the right mix, distribution, and number of physicians to meet societal needs across Canada. Alberta Health co-led a working group to assess the current status of nursing education across Canada; this assessment will continue in 2014-15. Additionally, in partnership with Health Canada, Alberta Health enabled a number of regulatory bodies to provide and enhance access to the licensing process to internationally educated health professionals in order to integrate these professionals into Alberta's health workforce. For instance, the College of Physiotherapy of Alberta developed a nationally-recognized bridging program that helps physiotherapists from abroad meet the requirements to practice in Alberta.

3.12 Develop and implement strategies and policies that improve continuing care services and simplify the system.

- Policy options for funding continuing care are being explored.
- A review of Alberta's continuing care system was initiated and is well underway. It is anticipated that a Continuing Care Strategy for Alberta will be completed in fall 2014.
- The Continuing Care Health Service Standards are in the process of being updated.
- Work is continuing with AHS Home Care Redesign to ensure consistency in Home Care services across the province. A Missed Visits Policy was developed and zone self-assessments were completed to determine readiness for implementation of Home and Community Care Directional Policy. Continued work remains on wound care and supplies and measurement of hours of care.

3.13 Implement priority actions identified in a province-wide cancer plan to reduce and prevent cancers and improve treatment for Albertans.

- A provincial cancer plan, *Changing our Future: Alberta's Cancer Plan* to 2030 was released in April 2013. CancerControl Alberta was formed as a distinct division within Alberta Health Services in July 2013.
- A new cancer facility in Red Deer opened in the fall of 2013.
- The HPV vaccination program for boys was announced in December 2013.
- The Cancer Strategic Clinical Network (SCN) has worked on clinical care pathways to improve the patient journey and outcomes and standardize care delivery across the province. The SCN has also created a standardized province-wide e-referral and triaging process for patients with confirmed lung or breast cancer that will improve access and decrease wait times.

3.14 Enhance Alberta's health system capacity for evidence-informed practice through research, the Health Technologies Decision Process, clinical practice guidelines and appropriateness initiatives and Strategic and Operational Clinical Networks.

- Seven assessments of health technologies and services were completed under the auspices of the Alberta Health Technologies Decision Process in order to inform decision-making on their public provision: sleep studies for the diagnosis of sleep disordered breathing, symptomatic varicose vein interventions, oncotypeDX testing for breast cancer screening, appropriate use of antipsychotics in the management of responsive behaviours associated with dementia in residents of long-term care facilities, first and second trimester screening, hysteroscopic tubal sterilization, and gamma knife surgery for the treatment of intracranial lesions.
- Contributed to a three-year plan for the Council of the Federation's Health Care Innovation Working Group, appropriateness theme and promoted the adoption of three recommended diagnostic imaging procedure guidelines. Supported work on appropriateness of care including the Alberta Medical Association-led Choosing Wisely Canada Initiative.
- Improved health system capacity through research and knowledge transfer initiatives. Collaborated with Alberta Health Services on Strategic Clinical Networks and supported implementation of clinical practice guidelines to improve appropriateness of care. An example is the development of the Alberta Screening and Prevention Program, in support of the Canadian Cardiovascular Harmonization of National Guidelines Endeavour (C-CHANGE) Initiative which was established to harmonize clinical practice recommendations for cardiovascular disease prevention and treatment.

Key Performance Measures and Results

Measure 3.A Access to primary care through Primary Care Networks

Primary Care Networks (PCNs) are a province-wide, comprehensive services delivery model aimed at improving access to and better coordinating primary health care for Albertans. In a PCN, family physicians work with Alberta Health Services and other health professionals as a multi-disciplinary, integrated team to increase Albertans' access to the right care, from the right provider, at the right time. In the 2012-13 fiscal year, 2,995 primary care physicians (family physicians, general practitioners, pediatricians and nurse practitioners) were registered with PCNs in Alberta, with 2,993,282 Albertans receiving primary health care services through PCNs.

The increase of the percentage of Albertans enrolled in a Primary Care Network from the 2011-12 to 2012-13 fiscal years is directly related to the increase in the number of physicians and health care providers registered with existing PCNs. Another factor that affects the percentage of Albertans enrolled with a PCN is the increase in the total number of Albertans covered by the Alberta Health Care Insurance Plan in the 2012-13 fiscal year.

In 2012-13, 512 additional providers registered with existing PCNs. An additional 186,356 Albertans enrolled in existing PCNs. The total Alberta population covered by the Alberta Health Care Insurance Plan also grew by 157,945, an increase of 4% from the 2011-12 fiscal year. The 2012-13 result of 74% is an increase of 2% from the 2011-12 result of 72%, and exceeds the target of 72% as outlined in the 2013-16 Alberta Health business plan.

	2008-09	2009-10	2010-11	2011-12	2012-13	Target 2013-14
Access to primary care through Primary Care Networks: Percentage of Albertans enrolled in a Primary Care Network	55%	60%	67%	72%	74%	**72%**

Source: Government of Alberta. Alberta Health. Alberta Health Care Insurance Plan Statistical Supplement, 2012-13.
Numerator: Number of patients enrolled in Primary Care Networks, as reported in Table 2.21 Primary Care Networks: Distribution by Health Region (AHS Zone), Number of Primary Care Physicians, Number of Patients, and Total Payments for the Service Year April 1 (year) to March 31 (year).

Denominator: Population covered under the Alberta Health Care Insurance Plan as reported in Table 1.2 Number of Registrations and Population Covered, as at March 31 (year).

Note: Result for 2013 is not available for reporting in the 2013-14 Annual Report.

Measure 3.B Patient safety

This performance measure supports the provision of safe care to improve patient outcomes and fosters continuous improvement in patient safety in Alberta. Patient experience with adverse events is a high level indicator of system safety. Unlike complications, which may occur as an expected risk of some treatments, unexpected harm can affect a patient's health and/or quality of life and can result in additional or prolonged treatment, pain or suffering, disability or death.

Albertans deserve a safe health care system that they can rely on whenever and wherever they receive health services.

There was no statistically significant difference in the percent of Albertans (11%) who reported that they or a family member experienced unexpected harm while receiving health care in Alberta in 2013-14 as compared to the past three years. The performance target for this measure is 7%, which is a stretch target to shift the measure in a favourable direction (i.e. to reduce the number of Albertans reporting unexpected harm to self or an immediate family member while receiving health care). The performance achieved for this measure did not meet the expectations of the stretch target, but was comparable to previous years.

Alberta Health, Alberta Health Services (AHS), the Health Quality Council of Alberta (HQCA), and the regulatory bodies of the health professions are collectively taking action and implementing strategies to improve the quality and safety of health services, including the continued implementation of Alberta's *Patient Safety Framework*, and working with the Canadian Patient Safety Institute on its *Patient Safety: Forward with Four* initiative to improve patient safety in four priority areas: medication safety, surgical care safety, infection prevention and control, and home care safety.

AHS, provider of the majority of health services in Alberta, has released a *Quality and Patient Safety Syllabus: Engaging, Educating and Empowering* (December 5, 2013: www.albertahealthservices.ca/PDFs/if-hp-edu-qps-integrated-curriculum.pdf) to provide a framework for the Quality and Patient Safety Integrated Curriculum; this curriculum was designed for employees and physicians to incorporate and apply quality and patient safety principles into their respective roles, and thereby improve healthcare outcomes for Albertans.

	2009-10	2010-11	2011-12	2012-13	2013-14	Target 2013-14
Patient safety: Percentage of Albertans reporting unexpected harm to self or an immediate family member while receiving health care in Alberta within the past year	9%	12%	11%	11%	11%	**7%**

Source: Health Quality Council of Alberta. *Satisfaction and Experience with Health Care Services: A Survey of Albertans* (2010, 2012, 2014). Health Quality Council of Alberta. *Provincial Survey about Health and the Health System in Alberta* (2011, 2013).

Measure 3.C Access to continuing care

Access to Continuing Care Living Options is an issue of concern to Albertans. Improving access to continuing care will improve flow throughout the system, provide more appropriate care, decrease wait times and deliver care in a more cost effective manner.

The percentage of clients placed in continuing care within 30 days of being assessed was 69% for the 2013-14 fiscal year, an increase of 2% from the previous fiscal year. However this measure did not meet the target; this may be attributed to existing capacity being eliminated due to the floods in southern Alberta in 2013. This measure includes all clients placed, whether from acute or sub-acute care, or the community.

	2009-10	2010-11	2011-12	2012-13	2013-14	Target 2013-14
Access to continuing care: Percentage of clients placed in continuing care within 30 days of being assessed	—	—	64%	67%	69%	**75%**

Source: Data are extracted from 7 Meditech rings for the South, Central and North Zones and from 2 Strata health Pathways applications by the Calgary and Edmonton Zones.

Measure 3.D Access to childrens' mental health services

Creating Connections: Alberta's Addiction and Mental Health Strategy (2011) includes a strategic direction to foster the development of healthy children, youth and families with a priority initiative to implement access standards for children's addiction and mental health services for emergent care (within 24 hours), urgent care (within two weeks) and scheduled visits (within 30 days). This includes "access standards for children's mental health services will be implemented, monitored, and met" as a key result. Furthermore, *Positive Futures –Optimizing Mental Health for Alberta's Children & Youth – A Framework for Action, 2006-16 (2006)* also has a focus on access community-based supports.

The 2013-14 performance target of 92% for access to children's mental health services: percentage of children aged 0 to 17 years receiving scheduled mental health treatment within 30 days was not achieved. The 2013-14 target was set as a directional target that commits to steady improvement over time, and was a stretch target for improvement of access to children's mental health services in Alberta. The 2013-14 result of 81% indicates a sustained trend of improvement in this area. Although short of the target, access time has gradually increased while service demand has been increasing over this time.

Overall, the Children's Mental Health Plan was successful at improving access for children and families across the continuum of care. Alberta Health has recently announced funding for children's mental health services in Alberta and Alberta Health Services (AHS) is currently planning how best to sustain and build upon

positive outcomes of this work. The potential of additional funding may address the challenges related to staff recruitment and retention within children's Mental Health Services.

Collaboration continues within the Addiction and Mental Health Strategic Clinical Network. The Empowering a Multi-sectoral Pathway Towards Healthy Youth (EMPATHY) Pathway is underway, which focuses on prevention, early identification and treatment of the children and youth. The Resiliency program, a research project in partnership Red Deer Public School District (RDPSD) and the Red Deer Primary Care Network (RDPCN), aims to enhance the emotional and mental well-being of all students. The project assesses and develops programming to enhance mental health and wellness of students.

Local work continues to support the Mental Health Capacity Building in Schools Initiative (MHCB) to provide the staffing and support required to implement an integrated, school-based community mental health promotion, prevention, and early intervention program. MHCB uses a "schools as hubs" approach to bring community service providers to children and youth in ways that reduce access barriers and allow better accessibility of providers to children and youth in Alberta. All zones continue to utilize AIM (Access, Improvement, Measures) strategies and processes to improve access and reduce wait times.

	2009-10	2010-11	2011-12	2012-13	2013-14	Target 2013-14
Access to children's' mental health services: Percentage of children aged 0 to 17 years receiving scheduled mental health treatment within 30 days	–	75%	76%	80%	81%	**92%**

Source: Alberta Regional Mental Health Information System (ARMHIS), Meditech, Regional Access Information System.

Changes to Performance Measures Information

New or Changed Performance Measures in the 2013-14 Annual Report:

- Childhood immunization rates (by age 2):
  - Diphtheria, tetanus, pertussis, polio, Hib
  - Measles, mumps, rubella.
- Healthy Alberta Risk Trend Index (HARTI): Average number of health risk factors per person aged 20 to 64 years.
- Access to continuing care: Percentage of clients placed in continuing care within 30 days of being assessed.
- Access to childrens' mental health services: Percentage of children aged 0 to 17 years receiving scheduled mental health treatment within 30 days.

Key Performance Measures discontinued in the 2014-17 Business Plan:

- Access to childrens' mental health services: Percentage of children aged 0 to 17 years receiving scheduled mental health treatment within 30 days.

New or Changed Performance Measures in the 2014-15 Annual Report:

- Patient Safety: Percentage of Albertans reporting unexpected harm to self or an immediate family member while receiving health care in Alberta within the past year (indicator).
- Life expectancy at birth (indicator).
- Emergency department length of stay: Percentage of patients treated and admitted to hospital within eight hours — all sites (indicator).

Performance Measures – Data Sources and Methodology

Data Sources

1.a. Health Quality Council of Alberta. *Satisfaction and Experience with Health Care Services: A Survey of Albertans* (2010, 2012, 2014). Health Quality Council of Alberta. *Provincial Survey about Health and the Health System in Alberta* (2011, 2013).

2.a. Numerator data (count of those immunized by age category): Alberta Health Services Zones, First Nations and Inuit Health, Health Canada, Alberta Region. Denominator data: Alberta's Interactive Health Data Application. Residents of Long Term Care in the facilities on December 15, 2013.

Note: Data are collected during the influenza season, when the vaccine is administered, which is typically from October 1 to March 31 each year. However, there may be immunization events which fall outside this range depending on how long the influenza virus circulates in Alberta, which are not included in the immunization rate data.

2.b. Alberta Health. CDRS-STI (Communicable Disease Reporting System – Sexually Transmitted Infection). Note: The 2013 results are preliminary and accurate as of December 31, 2013.

2.c. Numerator: Immunization/Adverse Reactions to Immunization (Imm/ARI) system. Aggregate data is obtained from First Nations sources for aboriginal children living on reserve.

Denominator: Alberta Health Population Estimates, based on mid-year (June 30) registration population estimates.

2.d. Statistics Canada. Canadian Community Health Survey (CCHS): Alberta Share File (The CCHS Share File is not publicly issued).

Note: Result for 2013 is not available for reporting in the 2013-14 Annual Report.

3.a. Government of Alberta. Alberta Health. Alberta Health Care Insurance Plan Statistical Supplement, 2012-13. Numerator: Number of patients enrolled in Primary Care Networks, as reported in Table 2.21 Primary Care Networks: Distribution by Health Region (AHS Zone), Number of Primary Care Physicians, Number of Patients, and Total Payments for the Service Year April 1 (year) to March 31 (year). Denominator: Population covered under the Alberta Health Care Insurance Plan as reported in Table 1.2 Number of Registrations and Population Covered, as at March 31 (year).

Note: Result for 2013-14 is not available for reporting in the 2013-14 Annual Report.

3.b. Health Quality Council of Alberta. *Satisfaction and Experience with Health Care Services: A Survey of Albertans* (2010, 2012, 2014). Health Quality Council of Alberta. *Provincial Survey about Health and the Health System in Alberta* (2011, 2013).

3.c. Data are extracted from 7 Meditech rings for the South, Central and North Zones and from 2 Strata health Pathways applications by the Calgary and Edmonton Zones.

3.d. Alberta Regional Mental Health Information System (ARMHIS), Meditech, Regional Access Information System.

Methodology

1.a Satisfaction with health care services received: Percentage of Albertans satisfied or very satisfied with health care services personally received in Alberta within the past year

The calculation of results for this measure is based on the percentage of respondents to the *HQCA 2014 Satisfaction and Experience with Health Care Services: A Survey of Albertans* who responded "satisfied" or "very satisfied" to the question:

"Thinking about all of your personal experiences within the past year with the health care services in Alberta that we just reviewed, to what degree are you satisfied or dissatisfied with the services you have received? Please use a scale of 1 to 5 where '1' means 'very dissatisfied' and '5' means 'very satisfied'."

HQCA 2014 Satisfaction and Experience with Health Care Services: A Survey of Albertans is a population survey conducted by the Health Quality Council of Alberta for the purpose of obtaining Albertans' views and perceptions on the quality, safety and performance of the publicly funded health care system.

From February 28, 2014 to April 8, 2014, data were collected through a telephone survey of 1,957 Albertans residing in randomly selected Alberta households. The overall response rate for the survey was calculated at 29.8%. The estimated margin of error for the provincial sample of 1,957 is 2.2 percent based on the 95% confidence interval.

A total of 1,847 (weighted total) respondents answered the question on satisfaction with health care services personally received in Alberta within the past year. Results are reliable within ±3.3 per cent, 19 times out of 20.

2.a Influenza immunization: Percentage of Albertans who have received the recommended seasonal influenza immunization

(1) Seniors aged 65 and over

(2) Children aged 6 to 23 months

(3) Residents of long term care facilities

Influenza Immunization: Seniors aged 65 and over

This is a measure of the percentage of adults aged 65 years and over who have received the annual influenza immunization.

Influenza Immunization: Children aged 6 to 23 months

This is a measure of the percentage of children aged six to 23 months who have received the recommended doses of the influenza vaccine.

Influenza Immunization: Residents of long-term care facilities

The percentage of residents of long term care facilities (include all residents in long term care facilities in Alberta) who received one dose of the influenza vaccine.

Numerator data (count of those immunized by age category):
Alberta Health Services Zones
First Nations and Inuit Health, Health Canada, Alberta Region.

Denominator data:
Alberta's Interactive Health Data Application.
Residents of Long Term Care in the facilities on December 15, 2013.

Calculation of Result:
Seniors aged 65 and over:
Immunization rate= (number of seniors aged 65 years and over who received one dose of the influenza vaccine)/(mid-year population estimate of age category)* 100

Children aged 6 to 23 months:
Immunization rate=(number of children aged six to 23 months who received dose 2 of 2 or an annual dose of the influenza vaccine)/(mid-year population estimate of age category)* 100

Residents of long-term care facilities:
Immunization rate= the number of residents in the facilities on December 15, 2013 who received the vaccine on December 15, 2013.

Notes for Interpretation:
Data are collected during the influenza season, when the influenza vaccine is administered, which is typically October 1 to March 31each year. However, there may be immunization events which fall outside this range depending on how long the Influenza virus circulates in Alberta, which are not included in the immunization rate data.

First Nations people living on-reserve are included.

Immunization data is manually collected in each zone by AHS. Data is representative of all doses administered up until March 31, 2014. Data is aggregated by each zone and sent centrally for inclusion into the provincial AHS report. Data includes all immunizations delivered by AHS, community providers (including but not limited to physician offices, pharmacists, occupational health service providers, long term care, acute care, student health services at post-secondary institutions and First Nations Inuit Health Branch).

Children aged 6 to 23 months:
Children who require two doses of the influenza vaccine will only be included if they have received two doses during the current season up to and including March 31, 2014.

Children six to 23 months of age who have received two doses in the past season will be included if they receive an annual (single) dose during the current season.

Residents of long-term facilities:
It is necessary to define the immunization rate for Residents of Long-term care facilities in this way due to the high turnover in this population. Otherwise the result would be an immunization rate over 100%.

Time Period of Results Reported is October 1, 2013 to March 31, 2014.

2.b Sexually transmitted infections: Rate of newly reported infections (per 100,000 population)

- **Chlamydia**
- **Gonorrhea**
- **Infectious Syphilis**
- **Congenital Syphilis: Rate per 100,000 births (live and stillborn)**

Results for this measure are based on data from Alberta Health CDRS-STI (Communicable Disease Reporting System — Sexually Transmitted Infection) database, which provides the number of newly reported cases of sexually transmitted infection, by type of infection, in a given calendar year, and the Alberta Health's Business Intelligence Environment, which provides the mid-year population in a given calendar year.

Calculation of Sexually Transmitted Infection Rates:

Sexually transmitted infection rate = (Number of newly reported cases in given calendar year/ Mid-year population of given calendar year) x 100,000

Calculation of Congenital Syphilis Rate:

Congenital syphilis rate = (Number of newly reported cases in a given calendar year/Number of births (live and stillborn) in a given calendar year) * 100,000

The 2013 results are preliminary and accurate as of December 31, 2013. In previous years, the case data was not available as a significant time period is required to confirm the diagnosis for possible cases. Once a case is confirmed, it is reported to Alberta Health; annual data must then be updated to reflect the new information.

2.c Childhood immunization rates (by age 2):

- **Diphtheria, tetanus, pertussis, polio, Hib**
- **Measles, mumps, rubella**

This is a measure of the number of children by two years of age who have received the required immunization divided by the mid-year population of two year-olds.

The numerator data (count of children immunized with required effective count) are submitted electronically into the provincial immunization registry [Immunization/Adverse Reactions to Immunization (Imm/ARI)] at Alberta Health from feeder systems at Alberta Health Services (AHS). These counts are pulled from the Imm/ARI system. Aggregate data is obtained from First Nations sources for aboriginal children living on reserve. The denominator data is retrieved from the Alberta Health Population Estimates which is based on mid-year (June 30) registration population estimates.

2.d Healthy Alberta Risk Trend Index (HARTI): Average number of health risk factors per person aged 20 to 64 years

The Canadian Community Health Survey (CCHS) is a cross-sectional survey that collects information related to health status, health care utilization and health determinants for the Canadian population. The CCHS includes a wide range of questions about the health and health behaviours of residents in each province; since 2007, it is conducted annually. The CCHS covers the population 12 years of age and over living in the ten provinces and the three territories. Excluded from the survey's coverage are: persons living on reserves and other Aboriginal settlements in the provinces; full-time members of the Canadian Forces; and the institutionalized population.

Statistics Canada provides a Provincial Share file to each Ministry of Health. This file contains detailed survey responses for those participants agreeing to disclosure to the Ministry. In Alberta, the share file represents between 92% and 95% of participants in each cycle of the master file.

In 2012, the sample size for the HARTI was 2,977 and the coefficient of variation (the standard error as a percentage of the reported result) was 1.9%.

The calculation of the HARTI involves each of the 6 indicators listed below being dichotomized as 0 or 1 (0 for not having the behaviour or 1 for having the behaviour) and totaling them from a risk factor perspective; meaning a 6 would be most unhealthy and 0 would be most healthy.

1. Life Stress – Respondents self-reporting life stress as extremely or quite a bit stressful.
2. BMI Category – Respondents self-reporting as "overweight" or "obese" (BMI of 25 or higher).

3. Fruit and Vegetable Consumption – Respondents self-reporting having eaten 5 or more servings of fruit and vegetables per day.
4. Physical Activity – Respondents who are moderately active or active.
5. Smoking Status - Respondents who are current daily smokers.
6. Binge Drinking frequency – Respondents reporting having five or more drinks two or more times per month.

Taking into account that Fruit and Vegetable Consumption and Physical Activity are measuring healthy activities, the HARTI sums the risk factor values and is calculated as:
HARTI = Overweight + (1 – Fruit Veg) + Daily Smoker + Binge Drinker + Life Stress + (1 – Physical Activity)

3.a Access to primary care through Primary Care Networks: Percentage of Albertans enrolled in a Primary Care Network

This measure is defined as the percentage of Albertans informally enrolled in a Primary Care Network as at March 31 of a given year.

The result for this measure is based on the total number of patients enrolled in a Primary Care Network (PCN) as a proportion of the total population covered under the Alberta Health Care Insurance Plan (AHCIP) in a given fiscal year.

Calculation of Results:
The percentage of Albertans enrolled in PCNs is calculated by dividing the total number of Albertans informally enrolled in Primary Care Networks in a given fiscal year (April 1 to March 31) by the total population covered by the Alberta Health Care Insurance Plan as at March 31 of the same fiscal year, and then multiplying the resulting quotient by 100 to obtain the percentage.

Numerator: The numerator is the total number of patients enrolled in Primary Care Networks in a given year (April 1 to March 31), as reported in Table 2.21 Primary Care Networks: Distribution by Health Region (AHS Zone), Number of Primary Care Physicians, Number of Patients, and Total Payments for the Service Year April 1 (year) to March 31 (year), Alberta Health Care Insurance Plan Statistical Supplement.

The methodology used to determine the total number of patients enrolled in a Primary Care Network, as reported in Table 2.21 of the AHCIP Statistical Supplement, is as follows:

Patients are considered to be enrolled in a PCN when they are assigned to a physician/ nurse practitioner/ pediatrician registered to a PCN. There are four steps used to assign a patient to a physician:

Step 1: Patients who have seen one physician/ nurse practitioner/ pediatrician only are assigned to that physician/ nurse practitioner.

Step 2: Patients who have seen more than one physician, but one physician is predominant, are then assigned to that physician.

Step 3: Patients who have seen multiple physicians the same number of times are assigned to the physician who did the physical examination last.

Step 4: Patients who have seen multiple physicians the same number of times, and had no physical examination done, are assigned to the physician who saw the patient last.

These 4 steps are part of the four-cut methodology.

The number of patients linked to a PCN is calculated by the payments issued to the program, which is associated with the providers within the PCN. The payments to the PCN are identified by the payments the providers receive through the Claims Assessment System (CLASS). CLASS is an application that collects and processes claims transactions for physicians of multiple disciplines and provides information of compensation for physician services.

Denominator: The denominator is the total population registered with a Personal Health Number (PHN) and covered under the Alberta Health Care Insurance Plan as at March 31 of a given year. This number is reported in Table 1.1 of the Alberta Health Care Insurance Plan Statistical Supplement.

Percentage Calculation: The percentage of Albertans enrolled in a Primary Care Network = (Total number of Albertans informally enrolled in a Primary Care Network in a given year) ÷ (Total population covered by the Alberta Health Care Insurance Plan as at March 31 in the same year) X 100.

3.b Patient safety: Percentage of Albertans reporting unexpected harm to self or an immediate family member while receiving health care in Alberta within the past year

Patient safety is defined as the reduction and mitigation of unsafe acts within the health care system rather than from the patient's underlying illness, as well as through the use of best practices shown to improve patient safety outcomes.

Calculation of results for this measure is based on the percentage of respondents to the *HQCA 2014 Satisfaction and Experience with Health Care Services: A Survey of Albertans* who responded "yes" to the question:

"To the best of your knowledge, have you, or has a member of your immediate family experienced UNEXPECTED HARM while receiving healthcare in Alberta WITHIN THE PAST YEAR?"

The *HQCA 2014 Satisfaction and Experience with Health Care Services: A Survey of Albertans* is a population survey conducted by the HQCA for the purpose of obtaining Albertans' views and perceptions on the quality, safety and performance of the publicly funded health care system.

From February 28, 2014 to April 8, 2014, data were collected through a telephone survey of 1,957 Albertans residing in randomly selected Alberta households. The overall response rate for the survey was calculated at 29.8%. The estimated margin of error for the provincial sample of 1,957 is 2.2 percent based on the 95% confidence interval.

A total of 1,741 respondents answered the question on experiencing unexpected harm while receiving health care in Alberta within the past year. Results are reliable within ±2.1 per cent, 19 times out of 20 for this question.

3.c. Access to continuing care: Percentage of clients placed in continuing care within 30 days of being assessed

Percent of clients admitted to a Continuing Care Living Option (Supportive or Facility Living) within 30 days of the Assessed and Approved date.

Continuing Care Living Option refers to the level of care in a publicly funded resident accommodation that provides health and support services appropriate to meet the client's assessed unmet needs (i.e., Designated Supportive Living Level 3 or 4 or Long-Term Care).

Assessed and Approved date refers to the date the client is placed on the waitlist for a Continuing Care Living Option following the completion of the assessment and approval process.

Calculation of Results:
The number of individuals admitted to a Continuing Care Living Option within 30 days of their Assessed and Approved Date divided by the total number of individuals admitted to a Continuing Care Living Option (Supportive or Facility Living) during the reporting period (expressed as a percentage).

3.d Access to children's mental health services: Percentage of children aged 0 to 17 years receiving scheduled mental health treatment within 30 days

This indicator measures the number of children who have been referred for scheduled mental health services and have had a face to face assessment with a mental health therapist within a thirty day period from referral.

The indicator reflects children under 18 years of age. The results are limited to children enrolled in programs at community mental health clinics across Alberta and also exclude some enrolments that have not been completed within the selected time period. The results are the most readily available information, and when results from other areas of the mental health continuum become consistently available, they will be included. Waiting times from other areas of the continuum are not included (such as cases from inpatient facilities, general practitioners, private psychiatrists/ psychologists, and contracted service agencies).

Results are captured consistently across Alberta. The results are limited to a portion of the mental health and addiction services (i.e. community mental health clinic services) available to children in Alberta. Within this portion, the measure has a high degree of validity as it has used a standardized data collection method since 2004.

FINANCIAL HIGHLIGHTS

The consolidated Ministry Financial Statements include:

- Department of Health
- Alberta Health Services
- Health Quality Council of Alberta
- Alberta Innovates – Health Solutions

Revenues

(in thousands)

	2014 Constructed Budget	2014 Actual	2013 Actual
Government of Alberta Transfers	$ 465,457	$ 464,235	$ 439,394
Federal Government Transfers	2,635,426	2,651,203	2,414,359
Premiums, Fees and Licences	509,485	509,878	504,699
Investment Income	38,314	58,596	45,895
Other Revenue	526,931	668,106	588,254
Total Revenue (Ministry Consolidated Financial Statement Basis)	**$ 4,175,613**	**$ 4,352,018**	**$ 3,992,601**

Revenues increased by $176 million from the constructed budget and $359 million from the previous year. These increases are primarily due a revised Canada Health Transfer funding formula implemented by the Federal Government which has raised Alberta's funding entitlement to an equal per capita allocation. In addition, Investment Income increased due to the diversification of Alberta Health Services' portfolio, resulting in higher yields from Canadian and global equity markets. Increases in Other Revenue include higher than anticipated volume discount reimbursements from pharmaceutical drug product listings, as well as higher than anticipated recoveries of both third party claims and the compensation expense component of services provided to external entities.

Expenses

(in thousands)

	2014 Constructed Budget	2014 Actual	2013 Actual
Physician Compensation and Development	$ 4,080,287	$ 4,161,471	$ 3,814,186
Drugs and Supplemental Health Benefits	1,320,937	1,425,783	1,359,221
Community Programs and Healthy Living	459,839	419,431	406,732
Facility Based Patient Services	4,614,060	4,639,041	4,543,891
Care Based Services	1,754,597	1,662,946	1,600,932
Diagnostic, Therapeutic and Other Patient Services	2,630,676	2,581,686	2,476,791
Administration and Support Services	2,559,061	2,420,328	2,399,028
Information Systems	569,340	606,847	556,413
Seniors Services and Benefits	404,671	366,612	379,582
Others	463,604	352,882	312,155
Total Expense (Ministry Consolidated Financial Statement Basis)	**$ 18,857,072**	**$ 18,637,027**	**$ 17,848,931**

Increased expenses from the previous year is primarily due to higher physician compensation and benefit costs related to the new agreement with the Alberta Medical Association (AMA), higher than anticipated generic drug prices, higher demand for existing approved drugs, and the addition of newly approved Cancer and High Cost drug therapies. Partially offsetting these increases are spending reductions due to the delayed receipt of eligibility information from applicants in applying for capital grant funding under the Affordable Supportive Living Initiative (ASLI) program as well as a delayed implementation of accommodation rate increases in Long Term Care Facilities.

Actual expenses for 2014 increased by $788 million from the previous year. Despite this increase, actual expenses were $220 million less than the constructed budget.

Financial Information

Ministry of Health

Consolidated Financial Statements

March 31, 2014

Ministry of Health

Consolidated Financial Statements

Year Ended March 31, 2014

Consolidated Financial Statements
March 31, 2014

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Ministry of Health, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Ministry of Health as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

June 6, 2014

Edmonton, Alberta

Consolidated Statement of Operations

Year Ended March 31, 2014

(in thousands)

	2014		2013
	Constructed Budget (Schedule 3)	Actual	Actual (Restated - Note 3)
Revenues (Schedule 1)			
Government Transfers			
Government of Alberta Transfers	$ 465,457	$ 464,235	$ 439,394
Federal Government Transfers	2,635,426	2,651,203	2,414,359
Premiums, Fees and Licences	509,485	509,878	504,699
Investment Income	38,314	58,596	45,895
Other Revenue	526,931	668,106	588,254
	4,175,613	4,352,018	3,992,601
Expenses - Directly Incurred (Note 2b(ii) and Schedules 2 & 5)			
Physician Compensation and Development	4,080,287	4,161,471	3,814,186
Drugs and Supplemental Health Benefits	1,320,937	1,425,783	1,359,221
Community Programs and Healthy Living	459,839	419,431	406,732
Facility Based Patient Services	4,614,060	4,639,041	4,543,891
Care Based Services	1,754,597	1,662,946	1,600,932
Diagnostic,Therapeutic & Other Patient Services	2,630,676	2,581,686	2,476,791
Administration and Support Services	2,559,061	2,420,328	2,399,028
Information Systems	569,340	606,847	556,413
Seniors Services and Benefits	404,671	366,612	379,582
Others	463,604	352,882	312,155
	18,857,072	18,637,027	17,848,931
Net Operating Results	$ (14,681,459)	$ (14,285,009)	$ (13,856,330)

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at March 31, 2014
(in thousands)

	2014	2013 (Restated - Note 3)
ASSETS		
Cash and Cash Equivalents (Note 4)	$ 758,019	$ 732,279
Accounts Receivable (Note 5)	343,943	349,977
Inventories	117,537	117,744
Prepaid Expenses	106,538	86,214
Portfolio Investments (Schedule 6)	1,659,386	1,379,841
Loans and Advances (Note 6)	4,329	-
Tangible Capital Assets (Note 7)	7,583,268	7,598,060
	$ 10,573,020	$ 10,264,115
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 8)	$ 2,469,801	$ 2,330,799
Deferred Revenue (Note 9)	6,267,683	6,173,302
Notes, Debentures and Mortgages (Note 10)	350,368	375,384
	9,087,852	8,879,485
NET ASSETS		
Net Assets at Beginning of Year	1,384,630	1,672,508
Net Operating Results	(14,285,009)	(13,856,330)
Net Financing provided from General Revenues	14,385,547	13,568,452
Net Assets at End of Year (Note 13)	1,485,168	1,384,630
	$ 10,573,020	$ 10,264,115

Contractual Obligations and Contingent Liabilities (Notes 11 and 12)

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Year Ended March 31, 2014

(in thousands)	2014	2013 (Restated - Note 3)
Operating Transactions		
Net Operating Results	$ (14,285,009)	$ (13,856,330)
Non-cash items:		
Amortization of Tangible Capital Assets and Consumption of Inventories (Schedule 2)	1,308,699	1,206,857
Spent Deferred Capital Contribution recognized as Revenue (Note 9)	(299,536)	(280,000)
Deferred Operating Revenue recognized as revenue (Note 9)	(272,804)	(290,612)
Write-down of Tangible Capital Assets / Inventories	7,636	16,546
Valuation Adjustments and write-downs	61,202	55,059
Realized Gain on Investments	(14,956)	(7,875)
	(13,494,768)	(13,156,355)
(Increase) Decrease in Accounts Receivable	(25,260)	207,163
(Increase) in Prepaid Expenses	(20,324)	(14,026)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	109,005	(87,082)
Deferred Operating Revenue received/receivable (Note 9)	253,609	235,863
Cash (applied to) Operating Transactions	(13,177,738)	(12,814,437)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 7)	(303,774)	(556,670)
Purchase of Inventories	(733,262)	(662,136)
Cash (applied to) Capital Transactions	(1,037,036)	(1,218,806)
Investing Transactions		
Loans and Advances Disbursements	(4,498)	-
Loans and Advances Repayments	258	-
Purchase of Portfolio Investments	(3,851,627)	(2,573,213)
Proceeds on sale of Portfolio Investments	3,587,038	2,738,356
Cash (applied to) provided by Investing Transactions	(268,829)	165,143
Financing Transactions		
Net Financing provided from General Revenues	14,385,547	13,568,452
Deferred Capital Contribution received	147,601	184,768
Deferred Capital Contribution returned	(5,187)	(6,956)
Principal payments of Notes, Debentures and Mortgages	(18,618)	(40,384)
Proceeds from Notes, Debentures and Mortgages	-	45,789
Cash provided by Financing Transactions	14,509,343	13,751,669
Increase (Decrease) in Cash and Cash Equivalents	25,740	(116,431)
Cash and Cash Equivalents, Beginning of Year	732,279	848,710
Cash and Cash Equivalents, End of Year	$ 758,019	$ 732,279

The accompanying notes and schedules are part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

March 31, 2014

Note 1 Authority and Purpose

The Minister of Health (Minister) has been designated responsibilities for various Acts by the *Government Organization Act*. To fulfill these responsibilities, the Minister administers the organizations listed below. The authority under which each organization operates is also listed. Together these organizations form the Ministry of Health (Ministry).

Department of Health	*Government Organization Act*
Alberta Health Services	*Regional Health Authorities Act*
Health Quality Council of Alberta	*Health Quality Council of Alberta Act*
Alberta Innovates– Health Solutions	*Alberta Research and Innovation Act*

The purpose of the Ministry is to maintain and improve the health of Albertans by providing increased access to quality health care, improve the efficiency and effectiveness of health care service delivery, work with individuals, families, communities and other government partners to support the well-being and independence of seniors and persons with disabilities, and set policy and direction to lead, achieve and sustain a responsive, integrated and accountable health system.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Reporting Entity and method of consolidation

The reporting entity is the Ministry of Health, for which the Minister of Health is accountable. The accounts of the Department are fully consolidated with the entities listed in Schedule 7 on a line-by-line basis.

Revenue and expense transactions, capital, and financing transactions, and related asset and liability balances between the consolidated entities have been eliminated. Accounting policies have been adjusted to conform with those of the Ministry.

The threshold for eliminating inter-entity transactions among SUCH (Schools, Universities, Colleges and Hospitals) sector entities and between SUCH sector entities and other government controlled entities is $1,000,000 for particular transaction types and balances. Transactions involving school boards are subject to a $100,000 threshold for particular transaction types and balances.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(a) Reporting Entity and method of consolidation (continued)

The Ministry has entered into various partnerships with entities outside the reporting entity. The Ministry uses the proportionate consolidation method to account for its interest in the HUTV Limited partnership with David Chittick Management Limited, interest in the Northern Clinical Trials Centre partnership with University of Alberta, and interest in the Primary Care Networks partnership with the physician groups.

(b) Basis of Financial Reporting

(i) Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided or used for purposes specified by year end is recorded as deferred revenue.

Investment income earned from restricted sources is deferred and recognized when the stipulations imposed have been met. Gains and losses on investments are not recognized in the Consolidated Statement of Operations until realized.

Government Transfers

Transfers from other Government of Alberta departments and federal government are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recorded as deferred revenue if the terms for use of the transfer, or the terms along with the Ministry's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the terms are met and, when applicable, the Ministry complies with its communicated use of the transfer.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the Ministry is eligible to receive the funds.

Donations and Non-Government Grants

Donations and non-government grants are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government grants may be unrestricted or externally restricted for operating or capital purposes. Unrestricted donations and non-government grants are recorded as revenue in the year received or receivable. Externally restricted donations, non-government grants, and realized gains and losses for the associated externally restricted investment income are recorded as deferred revenue if the terms for their use, or the terms along with the Ministry's actions and communications as to the use, create a liability. These resources are recognized as revenue as the terms are met and, when applicable, the Ministry complies with its communicated use.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Grants and Donations of or for Land

The Ministry recognizes transfers and donations for the purchase of land as a liability when received, and as revenue when the Ministry purchases the land. The Ministry recognizes in-kind contributions of land as revenue at the fair value of the land. When the Ministry cannot determine the fair value, it records such in-kind contributions at a nominal value.

(ii) Expenses

Directly Incurred

Directly incurred expenses are those costs for which the Ministry has primary responsibility and accountability.

In addition to program operating expenses such as grants, salaries, supplies etc., directly incurred expenses also include:

- amortization of tangible capital assets.
- consumption of inventories.
- pension costs, which are the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation and sick pay.

Grants are recognized as an expense in the period the transfer is authorized and all eligibility criteria have been met by the recipient.

Incurred by Others

Services contributed by other entities in support of the Ministry's operations are not recognized and are disclosed in Schedule 4 and 5.

(iii) Assets

Cash and cash equivalents comprise of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

(iii) Assets (continued)

Assets held for sale that are expected to be sold within one year are considered financial assets. They are valued at the lower of cost or expected net realizable value. Cost includes amounts for improvements to prepare the assets for sale.

Loans and Advances are recorded at cost less adjustment for any prolonged impairment in value. Where there is no longer reasonable assurance of timely collection of the full amount of principal and interest on a loan, valuation allowance are made and the carrying amount of the loan is reduced to its estimated realizable amount. Interest is accrued on loans only when collection is certain. Otherwise, it is recognized on the cash basis. Accrued interest is included in loan and advances.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost which includes all amounts directly attributable to the acquisition, construction, development or betterment of the asset. The costs of tangible capital assets built on behalf of the Ministry by the Ministry of Infrastructure are recorded as costs are incurred and work-in-progress reported by the Ministry of Infrastructure. Tangible capital assets are amortized on a straight-line basis over the estimated useful life of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000. All land is capitalized.

Amortization is only charged if the tangible capital asset is in use.

Inventories for consumption or distribution at no charge are valued at the lower of cost (defined as moving average cost) and current replacement cost.

Portfolio investments are recorded at cost. Gains and losses on investments are recognized when an investment is sold or when there is a permanent impairment in the value of an investment.

(iv) Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Where the Ministry has received contributions which have not been fully used in the period, this gives rise to deferred revenue.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

(v) Foundations

Various foundations have been established under the *Regional Health Authorities Act* (Alberta) for the purpose of raising funds for the benefit of Alberta. Depending on how the foundations are established, the Ministry of Health either controls the foundations or has an economic interest in them. Foundations that are controlled by the Ministry are consolidated in AHS's financial statements.

(vi) Net Assets

Net assets represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Canadian public sector accounting standards require a "net debt" presentation for the Consolidated Statement of Financial Position in the summary consolidated financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Ministry operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these consolidated financial statements do not report a net debt indicator.

Endowments

Donations and government transfers that must be maintained in perpetuity are recognized as direct increases in endowment net assets when received or receivable. Realized gains and losses attributable to portfolio investments that also must be maintained in perpetuity are also recognized as direct increase in endowment net assets when received or receivable.

(vii) Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments. Fair values of loans are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

(viii) Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Measurement uncertainty that is material to these consolidated financial statements exists in the accrual of the Canada Health Transfer.

Measurement uncertainty for the Canada Health Transfer relates to the tax transfer component. The current value of income tax points (personal and corporate) transferred historically by the federal government are used to adjust the entitlements. The value of the tax transfer amounts is unknown at year end because the tax years have not been assessed yet. Accordingly, these amounts are estimated and could change by a material amount.

(c) Future Accounting Changes

(i) PS 3450 Financial Instruments

In June 2011 the Public Sector Accounting Board issued this accounting standard and in January 2014 the Public Sector Accounting Board extended the effective date to April 1, 2016 from April 1, 2015.

The Ministry has not yet adopted this standard and has the option of adopting it in fiscal year 2016-17 or earlier. Adoption of this standard requires corresponding adoption of: PS 2601, Foreign Currency Translation; PS 1201, Financial Statement Presentation; and PS 3041, Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement, and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. Management is currently assessing the impact of these standards on the financial statements.

(ii) PS 3260 Liability for Contaminated Sites

In June 2010 the Public Sector Accounting Board issued this accounting standard effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. The entity would recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. Management does not expect the implementation of this standard to have a significant impact on the financial statements.

Note 3 Reporting Changes
(in thousands)

Effective April 1, 2013, the responsibility for the Alberta Innovates – Health Solutions was transferred to the Ministry of Health from the Ministry of Innovation and Advanced Education. Comparatives for 2013 have been restated as if the Ministry had always been assigned with its current responsibilities.

Net assets on March 31, 2012 is made up as follows:

Net assets as previously reported	$ 1,648,135
Transfer from the Ministry of Innovation and Advanced Education	24,373
Net assets at March 31, 2012	$ 1,672,508

Note 4 Cash and Cash Equivalents

Cash and cash equivalents is comprised of Canadian dollar operating accounts, term deposits, money market securities and deposits in Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta.

The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality, short-term and mid-term fixed income securities with a maximum term to maturity of three years. As at March 31, 2014, securities held by the Fund have an average effective yield of 1.19% per annum (2013-1.23% per annum). Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

Money market securities are comprised of Government of Canada treasury bills maturing June 2014 and bearing interest at an average yield of 0.97% at March 31, 2014 (March 31, 2013 – 0.95%).

Note 5 Accounts Receivable
(in thousands)

	2014			2013
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	(Restated - Note 3) Net Realizable Value
Accounts Receivable	$ 369,574	$ (25,631)	$ 343,943	$ 349,977

Accounts receivable are unsecured and non-interest bearing.

Note 6 Loans and Advances

Seniors Property Tax Deferral Program was introduced effective April 1, 2013 to help eligible senior homeowners to defer all or part of their property taxes through a low-interest home equity loan with the Ministry of Health. Eligible seniors are seniors who are 65 years of age or older, resident in Alberta, own a residential property in Alberta which is their principal residence, and have a minimum of 25% equity in the home.

The Ministry of Health pays the property taxes to the municipalities on behalf of the seniors. Except in the case where a residence is being directly transferred to a surviving spouse who is 55 years or older, the deferred taxes plus any outstanding interest must be repaid before the residence can be legally transferred to a new owner. Alternatively, the deferred taxes along with interest can be repaid at any time. Simple interest is charged on the outstanding portion of the loan at a rate based on an estimate of the Government's cost of funding property tax deferral loans, including the cost of making and administering the loans.

The loans are secured by registering a caveat on the certificate of title in a Land Titles office.

Note 7 Tangible Capital Assets
(in thousands)

	Land	Buildings [1]	Land Improvements	Equipment	Computer Hardware and Software	Leasehold Assets	Total
Estimated Useful Life		10-40 years	5-40 years	2-20 years	3-10 years	Term of Lease	
Historical Cost [2]							
Beginning of year	$ 109,444	$ 8,824,756	$ 67,641	$ 2,091,934	$ 1,476,322	$ 191,895	$ 12,761,992
Additions [3]	1,224	320,421	77	119,897	127,639	5,214	574,472
Disposals, including write-downs	(599)	(12)	-	(99,604)	(31,905)	(6,399)	(138,519)
	110,069	9,145,165	67,718	2,112,227	1,572,056	190,710	13,197,945
Accumulated Amortization							
Beginning of year	-	2,738,594	52,779	1,380,273	869,937	122,349	5,163,932
Amortization expense	-	246,494	2,776	157,292	160,049	12,183	578,794
Effect of disposals	-	(12)	-	(98,962)	(29,075)	-	(128,049)
	-	2,985,076	55,555	1,438,603	1,000,911	134,532	5,614,677
Net Book Value at March 31, 2014	$ 110,069	$ 6,160,089	$ 12,163	$ 673,624	$ 571,145	$ 56,178	$ 7,583,268
Net Book Value at March 31, 2013 (Restated - Note 3)	$ 109,444	$ 6,086,162	$ 14,862	$ 711,661	$ 606,385	$ 69,546	$ 7,598,060

[1] Buildings include parking lots.

[2] Historical cost includes work-in-progress at March 31, 2014 totaling $742,881 (2013 - $699,816).

[3] Additions include tangible capital assets at March 31, 2014 totaling $270,698 (2013 - $293,041) transferred from the Ministry of Infrastructure at no cost (grants in kind).

Note 8 Accounts Payable and Accrued Liabilities
(in thousands)

	2014	2013 (Restated - Note 3)
Accounts Payable and Accrued Liabilities	$ 1,903,788	$ 1,794,759
Employee Future Benefits	566,013	536,040
	$ 2,469,801	$ 2,330,799

Note 9 Deferred Revenue
(in thousands)

	2014	2013 (Restated - Note 3)
Deferred Operating Revenue [i]	$ 271,808	$ 259,951
Unspent Deferred Capital Contributions [ii]	109,670	90,371
Spent Deferred Capital Contributions [iii]	5,886,205	5,822,980
	$ 6,267,683	$ 6,173,302

(i) Deferred operating revenue represents unspent resources with stipulations or external restrictions related to operating expenditures. Changes in balances in deferred operating revenue are as follows:

	2014				2013
	Federal government	Government of Alberta	Non-government	Total	Total
Balance, beginning of year	$ 4,083	$ 26,584	$ 229,284	$ 259,951	$ 271,243
Received/receivable during the year	3,907	62,913	180,862	247,682	227,742
Restricted realized investment income	-	1,939	3,988	5,927	8,121
Transferred from unspent deferred capital contributions	-	28,380	2,672	31,052	43,457
Recognized as revenue during the year	(4,707)	(77,486)	(190,611)	(272,804)	(290,612)
Balance, end of year	$ 3,283	$ 42,330	$ 226,195	$ 271,808	$ 259,951

Note 9 Deferred Revenue (continued)
(in thousands)

(ii) Unspent deferred capital contributions represent unspent resources with stipulations or external restrictions related to the purchase of tangible capital assets. Changes in balances in unspent deferred capital contributions are as follows:

	2014				2013
	Federal government	Government of Alberta	Non-government	Total	Total
Balance, beginning of year	$ -	$ 16,328	$ 74,043	$ 90,371	$ 189,600
Received/receivable during the year	-	89,665	57,936	147,601	184,768
Transferred tangible capital assets	-	270,569	129	270,698	293,041
Unspent deferred capital revenue returned	-	-	(5,187)	(5,187)	(6,956)
Transferred to deferred operating revenue	-	(28,380)	(2,672)	(31,052)	(43,457)
Transferred to spent deferred capital contributions	-	(309,107)	(52,430)	(361,537)	(526,610)
Used for the acquisition of land	-	(1,224)	-	(1,224)	(15)
Balance, end of year	$ -	$ 37,851	$ 71,819	$ 109,670	$ 90,371

(iii) Spent deferred capital contributions represent resources which have been spent for acquition of tangible capital assets stipulated to be used over their useful life. Revenue is recognized over the useful life of the assets. Changes in balances in spent deferred capital contributions are as follows:

	2014				2013
	Federal government	Government of Alberta	Non-government	Total	Total
Balance, beginning of year	$ -	$ 5,622,020	$ 200,960	$ 5,822,980	$ 5,576,355
Transferred from unspent deferred capital contributions	-	309,107	52,430	361,537	526,610
Used for the acquisition of land	-	1,224	-	1,224	-
Recognized as revenue during the year	-	(254,331)	(45,205)	(299,536)	(279,985)
Balance, end of year	$ -	$ 5,678,020	$ 208,185	$ 5,886,205	$ 5,822,980

Note 10 Notes, Debentures and Mortgages
(in thousands)

	Maturity	2014 Interest Rate	2014 Book Value	2013 Book Value
Debentures [a]	2013 to 2032	4.23-4.93%	$ 331,366	$ 348,709
Capital Lease Obligation [b]	January 2028	2.42%	19,002	26,675
Total			$ 350,368	$ 375,384

[a] The debentures have been issued by AHS to Alberta Capital Finance Authority.

[b] Capital Lease Obligation includes a site lease with the University of Calgary.

Principal repayment requirements in each of the next five years and thereafter are as follows:

	Debentures	Capital Lease Obligation	Total
2014-15	$ 14,533	$ 5,041	$ 19,574
2015-16	15,221	2,886	18,107
2016-17	15,943	1,843	17,786
2017-18	16,698	1,473	18,171
2018-19	17,490	1,525	19,015
Thereafter	251,481	13,855	265,336
Less: amount representing interest under leases	-	(7,621)	(7,621)
	$ 331,366	$ 19,002	$ 350,368

Note 11 Contractual Obligations
(in thousands)

Contractual obligations are obligations of the Ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met. As at March 31, 2014, the Ministry has the following contractual obligations:

	2014	2013 (Restated - Note 3)
Specific Programs Commitments	$ 725,072	$ 328,066
Capital Contracts	49,716	112,007
Service Contracts and Operating Leases	455,844	429,242
	$ 1,230,632	$ 869,315

Note 11 Contractual Obligations (continued)
(in thousands)

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	Specific Programs Commitments	Capital Contracts	Service Contracts and Operating Leases	Total
2015	$ 359,049	$ 37,857	$ 132,411	$ 529,317
2016	259,119	10,883	69,526	339,528
2017	40,634	251	63,621	104,506
2018	34,734	251	52,828	87,813
2019	24,893	251	41,172	66,316
Thereafter	6,643	223	96,286	103,152
	$ 725,072	$ 49,716	$ 455,844	$ 1,230,632

Canadian Blood Services

The Government of Alberta is committed to provide funding to the Canadian Blood Services (CBS) for the provision of blood services in Canada. This commitment was outlined in a Memorandum of Understanding, signed in January 1998, which recorded the understandings and commitments of the Minister of Health of Canada and the Provincial and Territorial Ministers of Health (except Quebec) regarding their respective roles and responsibilities in a renewed national blood system.

Alberta's obligation for the operational costs of CBS is determined on a per capita basis, and the costs for fractionated blood and blood products is determined on the basis of annual utilization of these products. During the year, payments to CBS amounted to $146,000 (2013 - $158,000).

Note 12 Contingent Liabilities and Equity Agreements
(in dollars)

Hepatitis C

In June 1999, the Federal, provincial and territorial governments entered into an agreement to provide financial assistance to Canadians who were affected by the Hepatitis C virus through the Canadian blood system during the period from January 1, 1986 to July 1, 1990. The agreement provided for a total federal, provincial and territorial contribution of $1.1 billion plus interest. Interest is calculated and accrued quarterly on the outstanding balance at a rate equal to the three month Government of Canada Treasury Bill rate for the quarter. In the fiscal year 1999/2000, the Ministry accrued $30 million; representing Alberta's estimated proportionate share of the financial assistance, excluding accrued interest. At March 31, 2014, the outstanding balance, including Alberta's proportionate share of the accrued interest, was $15.3 million (2013 - $16.2 million).

Note 12 Contingent Liabilities and Equity Agreements (continued)
(in dollars)

Equity Agreements with Voluntary Hospital Owners

The Ministry has a contingent liability for buy-out of equity under Equity Agreements entered into between the Ministry and Voluntary Hospital Owners. The Ministry's payout liability is contingent upon notification by the voluntary hospital owner of termination of the equity agreement. At March 31, 2014, the contingent payout liability upon termination is estimated at $12.8 million (2013 - $12.8 million).

Other Contingent Liabilities

The Ministry has been named in 217 (2013: 192) claims of which the outcome is not determinable. Of these claims, 182 (2013: 172) have specified amounts totalling $377.2 million (2013: $387.6 million). The remaining 35 (2013: 20) claims have no amount specified. Included in the total claims, 197 claims totalling $352.8 million (2013: 166 claims totalling $341.6 million) are covered in whole or in part by the Alberta Risk Management Fund or other insurance carriers. The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

Included in the indeterminable claims is a certified class action where the Government of Alberta has been named as a co-defendant, along with Alberta Health Services, with regard to increased long-term accommodation charges, which were increased by a Cabinet order effective August 1, 2003. The claim amount has not been specified.

Indemnity

As described in Note 11, CBS provides blood services in Alberta. CBS has established two wholly-owned captive insurance corporations, CBS Insurance Company Limited (CBSI) and Canadian Blood Services Captive Insurance Company Limited (CBSE). CBSI provides insurance coverage up to $250 million with respect to risks associated with the operation of the blood system.

Effective September 28, 2006, CBSE has entered into an agreement whereby the provinces (except Quebec) and territories guarantee and indemnify the risks of operation of the blood system in the amount of $750 million in excess of the $250 million provided by the insurance coverage from CBSI. Alberta's pro rata share of the $750 million is 13.1 per cent or $98 million. Authority for Alberta to provide the indemnity under the CSA is pursuant to section 5.05 of the Indemnity Authorization Regulation 22/1997, under the *Financial Administration Act*.

The expense recognition criterion for the indemnity is notification from CBS that the indemnity is required. At March 31, 2014, no amount has been recognized for this indemnity.

Note 13 Endowment Funds
(in thousands)

Endowment funds are included in net assets and are represented by financial assets amounting to $68,796 (2013 - $65,207). Donors have placed restrictions on their contributions to the endowment funds. The principal restriction is that the original contribution should not be spent.

Note 14 Trust Funds under Administration
(in thousands)

Trust funds under administration are funds consisting of public money over which the Legislature has no power of appropriation. Because the Ministry has no equity in the funds and administers them for the purposes of various trusts, they are not included in the consolidated financial statements. As at March 31, 2014, trust funds under administration were as follows:

	2014	2013
Research and development, education and others	$ 8,033	$ 13,523

Note 15 Benefit Plans
(in thousands)

Except as noted below, the Ministry participates in the multi-employer pension plans: Management Employees Pension Plan (MEPP), Public Service Pension Plan (PSPP) and Supplementary Executive Retirement Plans (SERPs) for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions.

AHS participates in the Local Authorities Pension Plan (LAPP), which is a multi-employer defined benefit plan. The pension expense for this plan is equivalent to the annual contributions. In addition, AHS also participates in defined contribution plans and Group Registered Retirement Savings Plans (GRRSPs) for certain employee groups.

Certain entities in the Ministry also provide defined supplementary executive retirement plans for certain management staff. At March 31, 2014, SERP plans have net accrued benefit liability of $1,620 (2013 – accrued benefit liability of $2,063). The accrued benefit liability is included in accounts payable and accrued liabilities.

At December 31, 2013, the Management Employees Pension Plan reported a surplus of $50,457 (2012 - deficiency $303,423), the Public Service Pension Plan reported a deficiency of $1,254,678 (2012 - $1,645,141), the Local Authorities Pension Plan reported a deficiency of $4,861,516 (2012 - $4,977,303) and the Supplementary Retirement Plan for Public Service Managers had a deficiency of $12,384 (2012 - $51,870).

Note 15 Benefit Plans (continued)
(in thousands)

Ministry's pension expense for the year is as follows:

	2014	2013 (Restated - Note 3)
Registered Benefit Plans	$ 512,960	$ 465,978
SERPs	(340)	537
Defined Contribution Plans and GRRSPs	47,153	44,719
Change in actuarial assumption for SERPs	-	9,632
	$ 559,773	$ 520,866

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2014, the Bargaining Unit Plan reported an actuarial surplus of $75,200 (2013 - $51,717) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of $24,055 (2013 - $18,327). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 16 Comparative Figures

Certain 2013 figures have been reclassified to conform to the 2014 presentation.

Note 17 Approval of Financial Statements

The consolidated financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedules to the Consolidated Financial Statements

Year Ended March 31, 2014

Schedule 1

Consolidated Revenues

(in thousands)

	2014	2013 (Restated - Note 3)
Government of Alberta Transfers		
Transfer from Alberta Cancer Prevention Legacy Fund	$ 25,000	$ 12,500
Transfer from Alberta Heritage Foundation for Medical Research Endowment Fund	86,389	79,050
Transfer from Other Government Departments	352,846	347,844
	464,235	439,394
Federal Government Transfers		
Canada Health Transfer	2,611,617	2,363,732
Wait Times Reduction	28,566	27,722
Other Health Transfers	11,020	22,905
	2,651,203	2,414,359
Premiums, Fees and Licences		
Supplementary Health Benefit Premiums	50,184	52,741
Fees and Charges	459,692	451,932
Other	2	26
	509,878	504,699
Investment Income	58,596	45,895
Other Revenue		
Third Party Recoveries	109,650	101,053
Previous years' refunds of expenditure	12,966	23,623
Donations	156,296	144,335
Miscellaneous	389,194	319,243
	668,106	588,254
Total Revenues	$ 4,352,018	$ 3,992,601

Schedules to the Consolidated Financial Statements

Year Ended March 31, 2014

Schedule 2

Consolidated Expenses - Directly Incurred Detailed by Object

(in thousands)

	2014	2013 (Restated - Note 3)
Grants	$ 5,160,313	$ 4,954,630
Supplies and Services	4,937,133	4,746,171
Salaries, Wages and Employee Benefits	7,175,112	6,866,988
Amortization of Tangible Capital Assets	578,794	544,329
Consumption of Inventories	729,905	662,528
Financial Transactions and Other	55,770	74,285
	$ 18,637,027	$ 17,848,931

Schedules to the Consolidated Financial Statements

Year Ended March 31, 2014

Schedule 3
Budget Reconciliation
(in thousands)

	2013-14 Government Estimates		Budget of Entities Excluded from	Adjustments To Conform To Accounting	Consolidation	Constructed
	Operational [1]	Capital [1]	Fiscal Plan [2]	Policy [3]	Adjustments	Budget
REVENUES						
Government of Alberta Transfers						
Transfer from Alberta Cancer Prevention Legacy Fund	$ 25,000	$ -	$ -	$ -	$ -	$ 25,000
Transfer from Alberta Heritage Foundation for Medical Research Endowment Fund	86,389	-	-	-	-	86,389
Transfer from Alberta Health / Other Government Departments	-	-	12,544,269	-	(12,190,201)	354,068
	111,389	-	12,544,269	-	(12,190,201)	465,457
Federal Government Transfers						
Canada Health Transfer	2,596,539	-	-	-	-	2,596,539
Wait Times Reduction	28,114	-	-	-	-	28,114
Other Health Transfers	1,694	-	9,079	-	-	10,773
	2,626,347	-	9,079	-	-	2,635,426
Premiums, Fees and Licenses						
Supplementary Health Benefit Premiums	53,000	-	-	-	-	53,000
Fees and Charges	-	-	456,484	-	-	456,484
Other	1	-	-	-	-	1
	53,001	-	456,484	-	-	509,485
Investment Income	-	-	38,314	-	-	38,314
Other Revenue						
Third Party Recoveries	99,950	-	-	-	-	99,950
Previous years' refunds of expenditure	2,675	-	-	-	-	2,675
Donations	-	-	133,000	-	-	133,000
Miscellaneous	14,323	-	286,105	878	(10,000)	291,306
	116,948	-	419,105	878	(10,000)	526,931
Total Revenues	$ 2,907,685	$ -	$ 13,467,251	$ 878	$(12,200,201)	$ 4,175,613

Schedules to the Consolidated Financial Statements

Year Ended March 31, 2014

Schedule 3 (continued)
Budget Reconciliation
(in thousands)

	2013-14 Government Estimates		Budget of Entities Excluded from	Adjustments To Conform To Accounting	Consolidation	Constructed
	Operational [1]	Capital [1]	Fiscal Plan [2]	Policy [3]	Adjustments	Budget
EXPENSES						
Alberta Health Services	$ 10,913,788	$ -	$ -	$ -	$(10,913,788)	$ -
Alberta Innovates - Health Solutions	86,389	-	-	-	(86,389)	-
Physician Compensation and Development	3,437,663	-	-	-	642,624	4,080,287
Drugs and Supplemental Health Benefits	1,140,247	-	-	-	180,690	1,320,937
Community Programs and Healthy Living	161,530	-	361,000	-	(62,691)	459,839
Facility Based Patient Services	-	-	5,463,000	-	(848,940)	4,614,060
Care Based Services	291,738	-	1,665,000	-	(202,141)	1,754,597
Diagnostic,Therapeutic and Other Patient Services	251,420	-	2,655,000	-	(275,744)	2,630,676
Administration and Support Services	72,688	-	2,487,252	-	(879)	2,559,061
Information Systems	110,229	-	479,203	-	(20,092)	569,340
Seniors Services and Benefits	404,671	-	-	-	-	404,671
Others	241,435	74,290	386,740	-	(238,861)	463,604
Total Expenses	$ 17,111,798	$ 74,290	$13,497,195	$ -	$(11,826,211)	$ 18,857,072
Net Operating Results	$(14,204,113)	$ (74,290)	$ (29,944)	$ 878	$ (373,990)	$(14,681,459)

[1] Ministry's estimate as per the 2013-14 Government Estimates.

[2] Budgets of AHS, AIHS and HQCA are not included in the 2013-14 Government Estimates but have been approved by their respective board of directors.

[3] Adjustments include capital revenues and operating expenses included in capital spending in fiscal plan.

Schedules to the Consolidated Financial Statements

Year Ended March 31, 2014

Schedule 4

Consolidated Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's consolidated financial statements. Related parties also include key management personnel in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded in the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties.

	2014	2013 (Restated - Note 3)
Revenues		
Government of Alberta Transfers		
- Transfer from funds	$ 111,389	$ 91,550
- Alberta Infrastructure	284,119	297,889
- Other Ministries	52,771	47,236
Other	44,360	39,966
	$ 492,639	$ 476,641
Expenses - Directly Incurred		
Grants	$ 101,724	$ 150,744
Other	223,602	146,991
Interest	15,972	13,047
	$ 341,298	$ 310,782
Receivables	$ 63,836	$ 71,180
Payables/Deferred Revenue -Alberta Infrastructure	$ 5,726,678	$ 5,663,842
-Other Ministries	64,854	38,170
	$ 5,791,532	$ 5,702,012
Debt	$ 344,952	$ 362,834
Contractual Obligations	$ 277,110	$ 235,522

The Ministry receives services under contracts managed by Service Alberta. Any commitments under these contracts are reported by Service Alberta.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the consolidated financial statements and are disclosed in Schedule 5.

	2014	2013 (Restated - Note 3)
Expenses - Incurred by Others		
Accommodation	$ 39,176	$ 38,320
Legal	4,416	3,912
Other	11,123	9,985
	$ 54,715	$ 52,217

Schedules to the Consolidated Financial Statements

Year Ended March 31, 2014

Schedule 5

Consolidated Allocated Costs

(in thousands)

Program	2014 Expenses [1]	2014 Expenses - Incurred by Others: Accommodation Costs [2]	2014 Expenses - Incurred by Others: Legal Services [3]	2014 Expenses - Incurred by Others: Other Cost [4]	2014 Total	2013 (Restated - Note 3) Total
Physician Compensation and Development	$ 4,161,471	$ 39,176	$ 4,416	$ 11,123	$ 4,216,186	$ 3,814,103
Drugs and Supplemental Health Benefits	1,425,783	-	-	-	1,425,783	1,359,221
Community Programs and Healthy Living	419,431	-	-	-	419,431	406,934
Facility Based Patient Services	4,639,041	-	-	-	4,639,041	4,552,297
Care Based Services	1,662,946	-	-	-	1,662,946	1,610,637
Diagnostic,Therapeutic & Other Patient Services	2,581,686	-	-	-	2,581,686	2,476,791
Administration & Support Services	2,420,328	-	-	-	2,420,328	2,433,015
Information Systems	606,847	-	-	-	606,847	556,413
Seniors Services and Benefits	366,612	-	-	-	366,612	379,582
Others	352,882	-	-	-	352,882	312,155
	$ 18,637,027	$ 39,176	$ 4,416	$ 11,123	$ 18,691,742	$ 17,901,148

[1] Expenses - Directly Incurred as per Consolidated Statement of Operations.

[2] Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 4.

[3] Costs shown for Legal Services on Schedule 4.

[4] Other Costs includes services the Ministry receives under contracts managed by Service Alberta shown on Schedule 4.

Schedules to the Consolidated Financial Statements
Year Ended March 31, 2014

Schedule 6
Consolidated Portfolio Investments
(in thousands)

	2014		2013	
	Book Value	Fair Value	Book Value	Fair Value
Interest bearing securities [a]				
Deposits and short-term securities	$ 27,897	$ 27,897	$ 63,192	$ 63,192
Bonds and mortgages	1,280,754	1,290,533	1,128,522	1,138,744
	1,308,651	1,318,430	1,191,714	1,201,936
Equities:				
Pooled investment funds	269,605	311,360	164,556	185,884
Global developed public equities	76,864	93,393	19,273	22,175
Others	4,266	5,669	4,298	5,228
	350,735	410,422	188,127	213,287
Total	$ 1,659,386	$ 1,728,852	$ 1,379,841	$ 1,415,223

(a) Interest-bearing securities reported as at March 31, 2014 have an average effective market yield of 2.20% (2013 – 1.79%) per annum.

	2014	2013
1 to 5 years	78%	81%
6 to 10 years	11%	17%
Over 10 years	11%	2%

Schedules to the Consolidated Financial Statements

Year Ended March 31, 2014

Schedule 7
Entities Included in the Consolidated Financial Statements

Department of Health

Health Quality Council of Alberta

Alberta Innovates - Health Solutions

Alberta Foundation for Health Research

Alberta Health Services

Wholly Owned Subsidiaries

Calgary Laboratory Services Ltd.
Capital Care Group Inc.
Carewest
Provincial Health Authorities of Alberta Liability and Property Insurance Plan

Controlled Foundations and Trusts

Airdrie Health Foundation
Alberta Cancer Foundation (ACF)
Bassano and District Health Foundation
Bow Island and District Health Foundation
Brooks and District Health Foundation
Calgary Health Trust (CHT)
Canmore and Area Health Care Foundation
Capital Care Charitable Trust
Cardston and District Health Foundation
Claresholm and District Health Foundation
Crowsnest Pass Health Foundation
David Thompson Health Trust
Fort Macleod and District Health Foundation
Fort Saskatchewan Community Hospital Foundation
Grande Cache Hospital Foundation
Grimshaw/Berwyn Hospital Foundation
Jasper Health Care Foundation
Lacombe Hospital and Care Centre Foundation
Medicine Hat and District Health Foundation
Mental Health Foundation
North County Health Foundation
Oyen and District Health Care Foundation
Peace River and District Health Foundation
Ponoka and District Health Foundation
Stettler Health Services Foundation
Strathcona Community Hospital Foundation
Tofield and Area Health Services Foundation
Viking Health Foundation
Vulcan County Health and Wellness Foundation
Windy Slopes Health Foundation

Other

Queen Elizabeth II Hospital Child Care Centre

Schedules to the Consolidated Financial Statements
Year Ended March 31, 2014

Schedule 7 (continued)
Entities Included in the Consolidated Financial Statements

Alberta Health Services

Partnerships

AHS uses the proportionate consolidation method to account for its interest in:

- 30% interest in the HUTV Limited Partnership with David Chittick Management Ltd
- 50% interest in the Northern Alberta Clinical Trials Centre partnership with the University of Alberta
- 50% interest in the Primary Care Network government partnerships with physician groups.

The following PCNs are included in these consolidated financial statements on a proportionate basis:

Alberta Heartland Primary Care Network
Aspen Primary Care Network
Big Country Primary Care Network
Bonnyville Primary Care Network
Bow Valley Primary Care Network
Calgary Foothills Primary Care Network
Calgary Rural Primary Care Network
Calgary West Central Primary Care Network
Camrose Primary Care Network
Chinook Primary Care Network
Cold Lake Primary Care Network
Drayton Valley Primary Care Network
Edmonton North Primary Care Network
Edmonton Oliver Primary Care Network
Edmonton Southside Primary Care Network
Edmonton West Primary Care Network
Grande Cache Primary Care Network
Grande Prairie Primary Care Network
Highland Primary Care Network
Kalyna Country (Vegreville/Vermillion) Primary Care Network
Lakeland (St.Paul/Aspen) Primary Care Network
Leduc Beaumont Devon Primary Care Network
Lloydminster Primary Care Network
McLeod River Primary Care Network
Mosaic Primary Care Network
Northwest Primary Care Network
Palliser Primary Care Network
Peace Region Primary Care Network
Peaks to Prairies Primary Care Network
Provost/Consort Primary Care Network
Red Deer Primary Care Network
Rocky Mountain House Primary Care Network
Sexsmith/Spirit River Primary Care Network
Sherwood Park Strathcona County Primary Care Network
South Calgary Primary Care Network
St. Albert & Sturgeon Primary Care Network
Wainwright Primary Care Network
West Peace Primary Care Network
WestView Primary Care Network
Wetaskiwin Primary Care Network
Wolf Creek Primary Care Network
Wood Buffalo Primary Care Network

Financial Information

Department of Health

Financial Statements

March 31, 2014

Department of Health

Financial Statements

Year Ended March 31, 2014

Financial Statements
March 31, 2014

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Minister of Health

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Health, which comprise the statement of financial position as at March 31, 2014, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Health as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

June 6, 2014

Edmonton, Alberta

STATEMENT OF OPERATIONS

Year Ended March 31, 2014

(in thousands)

	2014		2013
	Constructed Budget (Schedule 4)	Actual	Actual (Restated - Note 3)
Revenues (Schedule 1)			
Government Transfers			
Government of Alberta Transfers	$ 111,389	$ 111,389	$ 91,550
Federal Government Transfers	2,626,347	2,643,034	2,394,943
Premiums, Fees and Licences	53,001	50,186	52,767
Other Revenue	115,775	196,659	172,575
	2,906,512	3,001,268	2,711,835
Expenses - Directly Incurred (Note 2b(ii) and Schedule 9)			
Program (Schedules 3 and 5)			
Ministry Support Services	72,688	80,087	74,247
Primary Care Physician Remuneration	1,246,826	1,291,194	1,183,142
Specialist Physician Remuneration	1,925,362	2,165,442	2,020,902
Physician Development	151,414	146,293	143,843
Physician Benefits	114,061	152,566	168,613
Allied Health Services	79,518	73,012	66,911
Human Tissue and Blood Services	171,902	148,204	158,742
Drugs and Supplemental Health Benefits	1,140,247	1,261,075	1,201,583
Community Programs and Healthy Living	161,530	145,612	129,537
Support Programs	216,435	197,292	183,343
Alberta Health Services Base Operating Funding	10,520,788	10,495,788	10,213,791
Alberta Health Services			
Operating Costs of New Facilities	393,000	304,730	145,285
Primary Health Care/Addictions and Mental Health	262,198	232,143	209,954
Enhanced Home Care and Rehabilitation	29,540	37,912	31,400
Information Systems	110,229	97,162	114,524
Seniors Services	46,963	37,729	49,909
Alberta Seniors Benefit	357,708	328,904	329,673
Alberta Innovates - Health Solutions	86,389	86,389	79,193
Cancer Research and Prevention Investment	25,000	25,000	12,500
Infrastructure Support	74,290	63,508	74,449
	17,186,088	17,370,042	16,591,541
Net Operating Results	$ (14,279,576)	$ (14,368,774)	$ (13,879,706)

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at March 31, 2014
(in thousands)

	2014	2013 (Restated - Note 3)
ASSETS		
Cash	$ 1,364	$ 318
Accounts Receivable (Note 4)	56,168	89,487
Loans and Advances (Note 5)	4,329	-
Tangible Capital Assets (Note 6)	79,680	80,937
Inventories	19,285	24,196
	$ 160,826	$ 194,938
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 7)	$ 736,175	$ 765,060
Deferred Revenue (Note 8)	8,160	30,160
	744,335	795,220
NET LIABILITIES		
Net Liabilities at Beginning of Year	(600,282)	(289,028)
Net Operating Results	(14,368,774)	(13,879,706)
Net Financing provided from General Revenues	14,385,547	13,568,452
Net Liabilities at End of Year	(583,509)	(600,282)
	$ 160,826	$ 194,938

Contractual Obligations and Contingent Liabilities (Notes 9 and 10)

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS

Year Ended March 31, 2014
(in thousands)

	2014	2013 (Restated - Note 3)
Operating Transactions		
Net Operating Results	$ (14,368,774)	$ (13,879,706)
Non-cash items included in Net Operating Results:		
Amortization of Tangible Capital Assets and Consumption of Inventories	62,544	56,402
Deferred Capital Contributions recognized as Revenue (Note 8)	(27,832)	(11,366)
Unearned Revenue recognized as Revenue (Note 8)	(50,803)	(53,401)
Valuation Adjustments and write-downs	7,802	16,763
	(14,377,063)	(13,871,308)
Decrease in Accounts Receivable	29,574	163,814
Interest Receivable on Loans and Advances	(89)	-
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(29,177)	126,785
Unearned Revenue received/receivable (Note 8)	49,928	52,528
Cash (applied to) Operating Transactions	(14,326,827)	(13,528,181)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 6)	(16,327)	(15,166)
Purchase of Inventories	(43,814)	(43,031)
Cash (applied to) Capital Transactions	(60,141)	(58,197)
Investing Transactions		
Loans and Advances Disbursements	(4,498)	-
Loans and Advances Repayments	258	-
Cash (applied to) Investing Transactions	(4,240)	-
Financing Transactions		
Contributions Restricted for Capital (Note 8)	6,707	5,330
Net Financing Provided from General Revenues	14,385,547	13,568,452
Cash provided by Financing Transactions	14,392,254	13,573,782
Increase (Decrease) in Cash	1,046	(12,596)
Cash, Beginning of Year	318	12,914
Cash, End of Year	$ 1,364	$ 318

NOTES TO THE FINANCIAL STATEMENTS

Note 1 Authority and Purpose

The Department of Health (the Department) operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The purpose of the Department is to maintain and improve the health of Albertans by providing increased access to quality health care, improve the efficiency and effectiveness of health care service delivery, work with individuals, families, communities and other government partners to support the well-being and independence of seniors and persons with disabilities, and set policy and direction to lead, achieve and sustain a responsive, integrated and accountable health system.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Reporting Entity

The reporting entity is the Department of Health, which is part of the Ministry of Health and for which the Minister of Health is accountable.

Other entities reporting to the Minister are Alberta Health Services (AHS) and its controlled entities, the Health Quality Council of Alberta (HQCA), and the Alberta Innovates-Health Solutions (AIHS). The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All Departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the President of Treasury Board and Minister of Finance. All cash receipts of Departments are deposited into the Fund and all cash disbursements made by Departments are paid from the Fund. Net Financing Provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting

(i) Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

Government Transfers

Transfers from other Government of Alberta departments and federal governments are referred to as government transfers.

Government transfers are recorded as deferred revenue if the terms of the transfer or the stipulations together with the department's actions and communications as to the use of transfers create a liability.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the department is eligible to receive the funds.

Capital Contributions

Restricted capital contributions are recorded as deferred revenue when received and recognized as revenue over the useful life of the acquired or constructed tangible capital assets.

Credit or Recovery

Credit or recovery initiatives provide a basis for authorizing spending. Credit or recovery is shown in the details of the Government Estimates for a supply vote.

If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual credit or recovery amounts exceed budget, the Department may, with the approval of the Treasury Board Committee, use the excess revenue to fund additional expenses of the program. Schedule 2 discloses information on the Department's credit or recovery initiatives.

(ii) Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

In addition to program operating expenses such as grants, salaries, supplies etc., directly incurred expenses also include:

- amortization of tangible capital assets.
- consumption of inventories.
- pension costs, which are the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

Grants are recognized as an expense in the period the transfer is authorized and all eligibility criteria have been met by the recipient.

Incurred by Others

Services contributed by other entities in support of the Department's operations are not recognized and are disclosed in Schedule 8 and Schedule 9.

(iii) Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Department are limited to cash and financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Loans and Advances are recorded at cost less adjustment for any prolonged impairment in value. Where there is no longer reasonable assurance of timely collection of the full amount of principal and interest on a loan, valuation allowance is made and the carrying amount of the loan is reduced to its estimated realizable amount. Interest is accrued on loans only when collection is certain. Otherwise, it is recognized on the cash basis. Accrued interest is included in loans and advances.

Assets acquired by right are not included. Tangible capital assets of the Department are recorded at historical cost which includes all amounts directly attributable to the acquisition, construction, development or betterment of the asset. Tangible capital assets are amortized on a straight-line basis over the estimated useful life of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000.

Amortization is only charged if the tangible capital asset is in use.

Inventories consist of vaccines and sera for distribution at no cost. Inventories are valued at the lower of cost and replacement cost on a first-in, first-out basis.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

(iv) Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

(v) Net Liabilities

Net liabilities represent the difference between the carrying value of assets held by the Department and its liabilities.

Canadian Public Sector Accounting Standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Department operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

(vi) Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments. Fair values of loans are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability.

(vii) Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Measurement uncertainty that is material to these financial statements exists in the accrual of Canada Health Transfer.

Measurement uncertainty for the Canada Health Transfer relates to the tax transfer component. The current value of income tax points (personal and corporate) transferred historically by the federal government are used to adjust the entitlements. The value of the tax transfer amounts is unknown at year end because the tax years have not been assessed yet. Accordingly, these amounts are estimated and could change by a material amount.

Note 3 Reporting Changes
(in thousands)

Effective April 1, 2013, responsibility for the Alberta Innovates-Health Solutions was transferred to the Department of Health from the Department of Innovation and Advanced Education. Comparatives for 2013 have been restated as if the Department had always been assigned with its current responsibilities.

Net Liabilities on March 31, 2012 is made up as follows:

Net liabilities as previously reported	$	(289,028)
Transfer from the Department of Innovation and Advanced Education		(1,050)
Change in Net Financing provided from General Revenues		1,050
Net liabilities at March 31, 2012	$	(289,028)

Note 4 Accounts Receivable
(in thousands)

	2014			2013
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$ 57,163	$ (995)	$ 56,168	$ 89,478
Other Receivable	-	-	-	9
	$ 57,163	$ (995)	$ 56,168	$ 89,487

Accounts receivable are unsecured and non-interest bearing.

Note 5 Loans and Advances

Seniors Property Tax Deferral Program was introduced effective April 1, 2013 to help eligible senior homeowners to defer all or part of their property taxes through a low-interest home equity loan with the Department of Health. Eligible seniors are seniors who are 65 years of age or older, resident in Alberta, own a residential property in Alberta which is their principal residence, and have a minimum of 25% equity in the home.

The Department of Health pays the property taxes to the municipalities on behalf of the seniors. Except in the case where a residence is being directly transferred to a surviving spouse who is 55 years or older, the deferred taxes plus any outstanding interest must be repaid before the residence can be legally transferred to a new owner. Alternatively, the deferred taxes along with interest can be repaid at any time. Simple interest is charged on the outstanding portion of the loan at a rate based on an estimate of the Government's cost of funding property tax deferral loans, including the cost of making and administering the loans.

The loans are secured by registering a caveat on the certificate of title in a Land Titles office.

Note 6 Tangible Capital Assets
(in thousands)

	Equipment [1]	Computer Hardware and Software	Leasehold Improvement	Total
Estimated Useful Life	10 years	5 - 10 years	10 years	
Historical Cost [2]				
Beginning of year	$ 2,521	$ 186,710	$ 71	$ 189,302
Additions	-	16,327	-	16,327
Disposals, including write-downs	-	(3,936)	-	(3,936)
	2,521	199,101	71	201,693
Accumulated Amortization				
Beginning of year	1,626	106,704	35	108,365
Amortization expense	250	17,098	36	17,384
Effect of disposals	-	(3,736)	-	(3,736)
	1,876	120,066	71	122,013
Net Book Value at March 31, 2014	$ 645	$ 79,035	$ -	$ 79,680
Net Book Value at March 31, 2013	$ 895	$ 80,006	$ 36	$ 80,937

[1] Equipment includes office equipment and furniture.

[2] Historical cost includes work-in-progress at March 31, 2014 for computer hardware and software totaling $17,242 (2013 - $11,572).

Note 7 Accounts Payable and Accrued Liabilities
(in thousands)

	2014	2013
Accounts payable and accrued liabilities	$ 725,237	$ 754,414
Accrued vacation pay	10,938	10,646
	$ 736,175	$ 765,060

Note 8 Deferred Revenue
(in thousands)

	2014	2013
Unearned Revenue [(i)]	$ 6,207	$ 7,082
Unspent Deferred Capital Contributions [(ii)]	-	-
Spent Deferred Capital Contributions [(iii)]	1,953	23,078
	$ 8,160	$ 30,160

(i) Unearned revenue represents payments received prior to services being provided. Changes in balances in unearned revenue are as follows:

	2014			2013
	Federal government	Non-government	Total	Total
Balance, beginning of year	$ 2,884	$ 4,198	$ 7,082	$ 7,955
Received/receivable during the year	-	49,928	49,928	52,528
Recognized as revenue during the year	(667)	(50,136)	(50,803)	(53,401)
Balance, end of year	$ 2,217	$ 3,990	$ 6,207	$ 7,082

(ii) Unspent deferred capital contributions represent unspent resources with stipulations or external restrictions related to the purchase of tangible capital assets. Changes in balances in unspent deferred capital contributions are as follows:

	2014			2013
	Federal government	Non-government	Total	Total
Balance, beginning of year	$ -	$ -	$ -	$ -
Received/receivable during the year	-	6,707	6,707	5,330
Transferred to spent deferred capital contributions	-	(6,707)	(6,707)	(5,330)
Balance, end of year	$ -	$ -	$ -	$ -

(iii) Spent deferred capital contributions represent resources which have been spent for acquition of tangible capital assets stipulated to be used over their useful life. Revenue is recognized over the useful life of the assets. Changes in balances in spent deferred capital contributions are as follows:

	2014			2013
	Federal government	Non-government	Total	Total
Balance, beginning of year	$ -	$ 23,078	$ 23,078	$ 29,114
Transferred from unspent deferred capital contributions	-	6,707	6,707	5,330
Recognized as revenue during the year	-	(27,832)	(27,832)	(11,366)
Balance, end of year	$ -	$ 1,953	$ 1,953	$ 23,078

Note 9 Contractual Obligations
(in thousands)

Contractual obligations are obligations of the Department to others that will become liabilities in the future when the terms of those contracts or agreements are met. As at March 31, 2014, the Department has the following contractual obligations:

	2014	2013
Specific Programs Commitments	$ 1,390,856	$ 1,145,368
Capital Contracts	12,654	8,676
Service Contracts	178,422	123,935
	$ 1,581,932	$ 1,277,979

Estimated payment requirements for each of the next five years and thereafter are as follows:

	Specific Programs Commitments	Capital Contracts	Service Contracts	Total
2015	$ 872,111	$ 10,060	$ 79,707	$ 961,878
2016	439,782	1,618	21,571	462,971
2017	62,056	251	20,334	82,641
2018	6,505	251	19,419	26,175
2019	5,201	251	19,047	24,499
Thereafter	5,201	223	18,344	23,768
	$ 1,390,856	$ 12,654	$ 178,422	$ 1,581,932

Canadian Blood Services

The Government of Alberta is committed to provide funding to Canadian Blood Services (CBS) for the provision of blood services in Alberta. This commitment was outlined in a Memorandum of Understanding, signed in January 1998, which recorded the understandings and commitments of the Minister of Health of Canada and the Provincial and Territorial Ministers of Health (except Quebec) regarding their respective roles and responsibilities in a renewed national blood system.

Alberta's obligation for the operational costs of CBS is determined on a per capita basis, and the costs for fractionated blood and blood products is determined on the basis of annual utilization of these products. During the year, payments to CBS amounted to $146,000 (2013 - $158,000).

Note 10 Contingent Liabilities and Equity
(in dollars)

Hepatitis C

In June 1999, the Federal, provincial and territorial governments entered into an agreement to provide financial assistance to Canadians who were affected by the Hepatitis C virus through the Canadian blood system during the period from January 1, 1986 to July 1, 1990. The agreement provided for a total federal, provincial and territorial contribution of $1.1 billion plus interest. Interest is calculated and accrued quarterly on the outstanding balance at a rate equal to the three month Government of Canada Treasury Bill rate for the quarter. In the fiscal year 1999/2000, the Department accrued $30 million; representing Alberta's estimated proportionate share of the financial assistance, excluding accrued interest. At March 31, 2014, the outstanding balance, including Alberta's proportionate share of the accrued interest, was $15.3 million (2013 - $16.2 million).

Equity Agreements with Voluntary Hospital Owners

The Department has a contingent liability for buy-out of equity under Equity Agreements entered into between the Department and Voluntary Hospital Owners. The Department's payout liability is contingent upon notification by the voluntary hospital owner of termination of the equity agreement. At March 31, 2014, the contingent payout liability upon termination is estimated at $12.8 million (2013 - $12.8 million).

Other Contingent Liabilities

Accruals have been made in specific instances where it is likely that losses will be incurred based on a reasonable estimate.

The Department has been named in seventeen claims (2013 – eighteen claims), the outcome of which is not determinable. Of these claims, twelve have specified amounts totaling $58.2 million (2013 – thirteen claims with a specified amount of $79.2 million). The remaining five claims have no amounts specified (2013 –five with no amount specified). Included in the total claims, eight claims totaling $34.5 million (2013 – six claims totaling $35.2 million) are covered in whole or in part by the Alberta Risk Management Fund. The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

Included in the indeterminable claims is a certified class action where the Government of Alberta has been named as a co-defendant, along with Alberta Health Services, with regard to increased long-term accommodation charges, which were increased by a Cabinet order effective August 1, 2003. The claim amount has not been specified.

Note 10 Contingent Liabilities and Equity (continued)
(in dollars)

Indemnity

As described in Note 9, CBS provides blood services in Alberta. CBS has established two wholly-owned captive insurance corporations, CBS Insurance Company Limited (CBSI) and Canadian Blood Services Captive Insurance Company Limited (CBSE). CBSI provides insurance coverage up to $250 million with respect to risks associated with the operation of the blood system.

Effective September 28, 2006, CBSE has entered into an agreement whereby the provinces (except Quebec) and territories guarantee and indemnify the risks of operation of the blood system in the amount of $750 million in excess of the $250 million provided by the insurance coverage from CBSI. Alberta's pro rata share of the $750 million is 13.1% or $98 million. Authority for Alberta to provide the indemnity under the CSA is pursuant to section 5.05 of the Indemnity Authorization Regulation 22/1997, under the *Financial Administration Act*.

The expense recognition criterion for the indemnity is notification from CBS that the indemnity is required. At March 31, 2014, no amount has been recognized for this indemnity.

Note 11 Payments under Reciprocal and Other Agreements
(in thousands)

The Department entered into agreements, under the Alberta Health Care Insurance Plan, with other Provincial and Territorial Governments, and the Royal Canadian Mounted Police (RCMP) to provide health services on their behalf. The Department pays service providers for services rendered under the agreements and recovers the amount paid from the program sponsors. Service providers include Alberta Health Services and physicians. Costs under these agreements are incurred by the Department under authority in section 25 of the *Financial Administration Act*.

In addition, Alberta undertook the role as lead province for the Health Support Committee effective October 3, 2013 to October 1, 2014 and nominal lead for the Healthcare Innovation Working Group for a period of 3 years effective October 3, 2013. The primary focus of both these roles is to provide secretariat functions for the activities and initiatives.

Accounts receivable includes $24,655 (2013- $52,859) and accounts payable includes $281 (2013- $0).

Amounts paid and payable under agreements with program sponsors are as follows:

	2014	2013
Other Provincial, Territorial Government & RCMP	$ 281,187	$ 281,941
Health Support Committee	21	-
Healthcare Innovation Working Group	35	-
	$ 281,243	$ 281,941

Note 12 Benefit Plans
(in thousands)

The Department participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $13,985 for the year ended March 31, 2014 (2013 - $12,056). The Department is not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2013, the Management Employees Pension Plan reported a surplus of $50,457 (2012 - deficiency $303,423), the Public Service Pension Plan reported a deficiency of $1,254,678 (2012 - $1,645,141) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of $12,384 (2012 - $51,870).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2014, the Bargaining Unit Plan reported an actuarial surplus of $75,200 (2013 - $51,717) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of $24,055 (2013 - $18,327). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 13 Comparative Figures

Certain 2013 figures have been reclassified to conform to the 2014 presentation.

Note 14 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedule to Financial Statements
Year Ended March 31, 2014

SCHEDULE 1
Revenues
(in thousands)

	2014		2013
	Constructed Budget (Schedule 4)	Actual	Actual (Restated - Note 3)
Government of Alberta Transfers			
Transfer from Alberta Cancer Prevention Legacy Fund	$ 25,000	$ 25,000	$ 12,500
Transfer from Alberta Heritage Foundation for Medical Research Endowment Fund	86,389	86,389	79,050
	111,389	111,389	91,550
Federal Government Transfers			
Canada Health Transfer	2,596,539	2,611,617	2,363,732
Wait Times Reduction	28,114	28,566	27,722
Other Health Transfers	1,694	2,851	3,489
	2,626,347	2,643,034	2,394,943
Premiums, Fees and Licences			
Supplementary Health Benefit Premiums	53,000	50,184	52,741
Other	1	2	26
	53,001	50,186	52,767
Other Revenue			
Third Party Recoveries	99,950	109,650	101,053
Previous years' refunds of expenditure	2,675	23,662	43,662
Miscellaneous	13,150	63,347	27,860
	115,775	196,659	172,575
Total Revenue	$ 2,906,512	$ 3,001,268	$ 2,711,835

Schedule to Financial Statements
Year Ended March 31, 2014

SCHEDULE 2
Credit or Recovery
(in thousands)

	2014				
	Authorized	Actual Revenue Recognized[a]	Deferred Revenue	Actual Cash/ Donation Received/ Receivable[a]	(Shortfall) / Excess
Support Programs					
Other Support Programs[b]	$ 667	$ 667	$ -	$ 667	$ -
	$ 667	$ 667	$ -	$ 667	$ -

(a) Revenues from credit or recovery initiatives are included in the Department's revenues in the Statement of Operations.

(b) The Department receives funding from Health Canada to enhance existing health services to persons with chronic Hepatitis C virus infection.

Schedule to Financial Statements

Year Ended March 31, 2014

SCHEDULE 3

Expenses - Directly Incurred Detailed by Object

(in thousands)

	2014		2013
	Constructed Budget	Actual	Actual (Restated - Note 3)
Grants	$ 16,872,848	$ 17,066,038	$ 16,297,010
Supplies and Services	136,726	116,459	116,410
Salaries, Wages and Employee Benefits	109,933	117,269	106,441
Amortization of Tangible Capital Assets	17,171	17,384	16,170
Consumption of Inventories	47,000	45,160	40,232
Other	2,410	7,732	15,278
	$ 17,186,088	$ 17,370,042	$ 16,591,541

Schedule to Financial Statements

Year Ended March 31, 2014

SCHEDULE 4

Budget Reconciliation

(in thousands)

	2013 - 2014 Estimate	Adjustment to Conform to Accounting Policy [a]	2013 - 2014 Constructed Budget
Revenues:			
Government of Alberta Transfers	$ 111,389	$ -	$ 111,389
Federal Government Transfers	2,626,347	-	2,626,347
Premiums, Fees and Licences	53,001	-	53,001
Other Revenue	116,948	(1,173)	115,775
	2,907,685	(1,173)	2,906,512
Expenses - Directly Incurred:			
Program			
Ministry Support Services	72,688	-	72,688
Primary Care Physician Remuneration	1,246,826	-	1,246,826
Specialist Physician Remuneration	1,925,362	-	1,925,362
Physician Development	151,414	-	151,414
Physician Benefits	114,061	-	114,061
Allied Health Services	79,518	-	79,518
Human Tissue and Blood Services	171,902	-	171,902
Drugs and Supplemental Health Benefits	1,140,247	-	1,140,247
Community Programs and Healthy Living	161,530	-	161,530
Support Programs	216,435	-	216,435
Alberta Health Services Base Operating Funding	10,520,788	-	10,520,788
Alberta Health Services			
Operating Costs of New Facilities	393,000	-	393,000
Primary Health Care/Addictions & Mental Health	262,198	-	262,198
Enhanced Home Care and Rehabilitation	29,540	-	29,540
Information Systems	110,229	-	110,229
Seniors Services	46,963	-	46,963
Alberta Seniors Benefit	357,708	-	357,708
Alberta Innovates-Health Solutions	86,389	-	86,389
Cancer Research and Prevention Investment	25,000	-	25,000
Infrastructure Support	-	74,290	74,290
	17,111,798	74,290	17,186,088
Net Operating Results	$ (14,204,113)	$ (75,463)	$ (14,279,576)
Capital Spending	$ 104,450	$ (74,290)	$ 30,160
Financial Transactions	$ 50,226	$ -	$ 50,226

Note:

[a] Adjustments include capital revenues and grant expenses included in capital spending in fiscal plan.

Schedule to Financial Statements

Year Ended March 31, 2014

SCHEDULE 5

Lapse/Encumbrance

(in thousands)

Program Operating	Voted Estimate [1]	Supplementary Estimate [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Unexpended / (Over Expended)
1 Ministry Support Services						
1.1 Minister's Office	$ 854	$ -	$ -	$ 854	$ 858	$ (4)
1.2 Associate Ministers' Offices	549	-	-	549	492	57
1.3 Deputy Minister's Office	910	-	-	910	933	(23)
1.4 Communications	3,257	-	-	3,257	2,887	370
1.5 Strategic Corporate Support	46,435	-	-	46,435	49,077	(2,642)
1.6 Policy Development and Strategic Support	18,890	-	-	18,890	24,327	(5,437)
1.8 Mental Health Patient Advocate Office	955	-	-	955	843	112
1.9 Health Advocate Office	700	-	-	700	96	604
Sub-Total	72,550	-	-	72,550	79,513	(6,963)
2 Primary Care Physician Remuneration						
2.1 Program Support	2,228	-	-	2,228	2,946	(718)
2.2 Primary Care Physician Services	1,136,104	16,361	-	1,152,465	1,196,318	(43,853)
2.3 Clinical Stabilization Initiative	108,494	-	-	108,494	91,566	16,928
Sub-Total	1,246,826	16,361	-	1,263,187	1,290,830	(27,643)
3 Specialist Physician Remuneration						
3.1 Program Support	2,228	-	-	2,228	2,864	(636)
3.2 Specialist Physician Services	1,793,493	190,392	-	1,983,885	2,003,969	(20,084)
3.3 Academic Alternate Relationship Plans	129,641	18,006	-	147,647	158,609	(10,962)
Sub-Total	1,925,362	208,398	-	2,133,760	2,165,442	(31,682)

Schedule to Financial Statements
Year Ended March 31, 2014

SCHEDULE 5

Lapse/Encumbrance
(in thousands)

Program Operating	Voted Estimate [1]	Supplementary Estimate [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Unexpended / (Over Expended)
4 Physician Development						
4.1 Program Support	$ 2,228	$ -	$ -	$ 2,228	$ 3,236	$ (1,008)
4.2 Medical Residents Services Allowances	112,010	-	-	112,010	107,010	5,000
4.3 Clinical Training and Assessment Support	37,176	-	-	37,176	35,812	1,364
Sub-Total	151,414	-	-	151,414	146,058	5,356
5 Physician Benefits						
5.1 Program Support	2,229	-	-	2,229	2,776	(547)
5.2 Physician Benefits	111,832	25,080	-	136,912	149,790	(12,878)
Sub-Total	114,061	25,080	-	139,141	152,566	(13,425)
6 Allied Health Services	79,518	(8,000)	-	71,518	73,012	(1,494)
7 Human Tissue and Blood Services	171,902	(15,000)	-	156,902	148,204	8,698
8 Drugs and Supplemental Health Benefits						
8.1 Program Support	7,699	-	-	7,699	7,647	52
8.2 Outpatient Cancer Therapy Drugs	128,730	21,222	-	149,952	143,825	6,127
8.3 Outpatient Specialized High Cost Drugs	81,300	2,572	-	83,872	90,314	(6,442)
8.4 Seniors Drug Benefits	472,042	41,717	-	513,759	509,751	4,008
8.5 Seniors Dental, Optical and Supplemental Health Benefits	115,562	-	-	115,562	108,255	7,307
8.6 Non-Group Drug Benefits	146,875	11,000	-	157,875	181,546	(23,671)
8.7 Non-Group Supplemental Health Benefits	1,715	-	-	1,715	805	910
8.8 Alberta Aids to Daily Living	131,129	-	-	131,129	127,049	4,080
8.9 Pharmaceutical Innovation and Management	55,195	18,650	-	73,845	88,102	(14,257)
Sub-Total	1,140,247	95,161	-	1,235,408	1,257,294	(21,886)

Schedule to Financial Statements

Year Ended March 31, 2014

SCHEDULE 5 (continued)

Lapse/Encumbrance

(in thousands)

Program Operating	Voted Estimate [1]	Supplementary Estimate [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Unexpended / (Over Expended)
9 Community Programs and Healthy Living						
9.1 Program Support	$ 19,844	$ -	$ -	$ 19,844	$ 16,172	$ 3,672
9.2 Immunization Support	6,190	-	-	6,190	4,563	1,627
9.3 Insulin Pump Therapy Program	5,000	-	-	5,000	5,080	(80)
9.4 Community-Based Health Services	48,908	(9,000)	-	39,908	40,043	(135)
9.5 Safe Communities	34,588	-	-	34,588	34,588	-
Sub-Total	114,530	(9,000)	-	105,530	100,446	5,084
10 Support Programs						
10.1 Program Support	15,576	-	-	15,576	12,732	2,844
10.2 Out-of-Province Health Care Services	118,635	-	-	118,635	124,378	(5,743)
10.3 Health Services Provided in Correctional Facilities	42,589	(4,000)	-	38,589	38,679	(90)
10.4 Health Quality Council of Alberta	6,959	-	-	6,959	6,959	-
10.5 Protection for Persons in Care	2,420	-	-	2,420	1,394	1,026
10.6 Other Support Programs	28,256	(3,000)	-	25,256	10,292	14,964
Sub-Total	214,435	(7,000)	-	207,435	194,434	13,001
11 Alberta Health Services						
11.1 Acute Care Services	3,997,988	-	-	3,997,988	3,988,487	9,501
11.2 Facility and Home-Based Continuing Care Services	1,157,300	-	-	1,157,300	1,154,550	2,750
11.3 Community and Population Health Services	1,052,000	-	-	1,052,000	1,049,501	2,499
11.4 Diagnostic and Therapeutic Services	1,788,500	-	-	1,788,500	1,784,250	4,250
11.5 Support Services	2,525,000	-	-	2,525,000	2,519,000	6,000
11.6 Operating Costs for New Facilities	393,000	(25,000)	-	368,000	304,730	63,270
Sub-Total	10,913,788	(25,000)	-	10,888,788	10,800,518	88,270

Schedule to Financial Statements
Year Ended March 31, 2014

SCHEDULE 5 (continued)
Lapse/Encumbrance
(in thousands)

Program Operating	Voted Estimate [1]	Supplementary Estimate [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Unexpended / (Over Expended)
12 Primary Health Care / Addictions and Mental Health						
12.1 Program Support	$ 4,183	$ -	$ -	$ 4,183	$ 8,907	$ (4,724)
12.2 Family Care Clinics	50,000	(39,000)	-	11,000	3,499	7,501
12.3 Primary Care Networks	185,015	9,000	-	194,015	197,098	(3,083)
12.4 Other Primary Health Care	3,000	-	-	3,000	2,800	200
12.5 Addictions and Mental Health	20,000	-	-	20,000	19,839	161
Sub-Total	262,198	(30,000)	-	232,198	232,143	55
13 Enhanced Home Care and Rehabilitation	29,540	(2,000)	-	27,540	37,912	(10,372)
14 Information Systems						
14.1 Program Support	8,896	-	-	8,896	7,533	1,363
14.2 Development and Operations	84,262	(9,000)	-	75,262	72,330	2,932
Sub-Total	93,158	(9,000)	-	84,158	79,863	4,295
15 Seniors Services						
15.1 Program Support	3,041	-	-	3,041	2,857	184
15.2 Seniors Information, Policy and Planning Services	3,253	-	-	3,253	2,831	422
15.3 Supportive Living Accommodations Licensing and Monitoring	4,694	-	-	4,694	3,934	760
15.4 Special Needs Assistance and Project Grants	27,804	(3,000)	-	24,804	23,255	1,549
15.5 School Property Tax Assistance Grants	7,500	(3,000)	-	4,500	4,289	211
15.6 Property Tax Deferral	671	-	-	671	563	108
Sub-Total	46,963	(6,000)	-	40,963	37,729	3,234

Schedule to Financial Statements
Year Ended March 31, 2014

SCHEDULE 5 (continued)
Lapse/Encumbrance
(in thousands)

Program Operating	Voted Estimate [1]	Supplementary Estimate [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Unexpended / (Over Expended)
16 Alberta Seniors Benefit						
16.1 Program Support	$ 6,170	$ -	$ -	$ 6,170	$ 6,953	$ (783)
16.2 Alberta Seniors Benefit Grants	351,438	(25,000)	-	326,438	321,817	4,621
Sub-Total	357,608	(25,000)	-	332,608	328,770	3,838
17 Alberta Innovates - Health Solutions	86,389	-	-	86,389	86,389	-
Credit or Recovery (Shortfall) (Schedule 2)	-	-	-	-	-	-
Total	$ 17,020,489	$ 209,000	$ -	$ 17,229,489	$ 17,211,123	$ 18,366
Lapse/(Encumbrance)						$ 18,366
Program - Capital						
14.2 Development and Operations	$ 30,160	$ -	$ -	$ 30,160	$ 16,327	$ 13,833
18.1 Facilities Planning	2,000	-	-	2,000	-	2,000
18.2 Equipment for Cancer Corridor Projects	3,690	-	-	3,690	-	3,690
18.3 External Information Systems Development	18,600	-	-	18,600	16,596	2,004
18.4 Medical Equipment Replacement and Upgrade Program	-	-	-	-	26,500	(26,500)
18.5 Affordable Supportive Living Initiative	50,000	-	-	50,000	20,413	29,587
Total	$ 104,450	$ -	$ -	$ 104,450	$ 79,836	$ 24,614
Lapse/(Encumbrance)						$ 24,614

Schedule to Financial Statements
Year Ended March 31, 2014

SCHEDULE 5 (continued)
Lapse/Encumbrance
(in thousands)

Program Operating	Voted Estimate [1]	Supplementary Estimate [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Unexpended / (Over Expended)
Financial Transactions						
15.7 Property Tax Deferral Disbursements	$ 3,000	$ -	$ -	$ 3,000	$ 4,498	$ (1,498)
8.9 Pharmaceutical Innovation and Management	-	-	-	-	3,627	(3,627)
9.2 Immunization Support	47,226	-	-	47,226	40,187	7,039
Total	$ 50,226	$ -	$ -	$ 50,226	$ 48,312	$ 1,914
Lapse/(Encumbrance)						$ 1,914

[1] As per 'Operational Vote by Program', 'Voted Capital Vote by Program' and 'Financial Transactions Vote by Program' page 118 of 2013-14 Government Estimates.

[2] Per the Supplementary Estimates approved on March 13, 2014.

[3] Adjustments include encumbrances, capital carryforward amounts and credit or recovery increases or shortfalls approved by Treasury Board Committee. An encumbrance is incurred when, on a vote by vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding Voted Estimate in the current year.

[4] Actuals exclude non-voted amounts such as amortization, inventory consumption, grant for Cancer Research and Prevention, and valuation adjustments.

Schedule to Financial Statements

Year Ended March 31, 2014

SCHEDULE 6

Lottery Fund Estimates

(in thousands)

	2013/2014 Lottery Fund Estimates	2013/2014 Actual	Unexpended (Over Expended)
Alberta Health Services			
- Community and Population Health Services	$ 757,647	$ 757,647	$ -
	$ 757,647	$ 757,647	$ -

The revenue of the Lottery Fund is transferred to the Department of Treasury Board and Finance on behalf of the General Revenue Fund in 2012-13. Having been transferred to the General Revenue Fund, these monies then become part of the Department's supply vote. This table shows details of the initiatives within the department that are funded by the Lottery Fund and compares it to the actual results.

Schedule to Financial Statements
Year Ended March 31, 2014

SCHEDULE 7
Salary and Benefits Disclosure
(in dollars)

	2014				2013
	Base Salary [1]	Other Cash Benefits [2]	Other Non-cash Benefits [3]	Total	Total
Deputy Minister [4][6]	$ 450,197	$ 36,745	$ 47,729	$ 534,671	$ 402,485
Chief Delivery Officer [5]	208,628	9,850	62,390	280,868	53,617
Chief Strategy Officer [5][9]	167,862	6,437	47,538	221,837	53,485
Executives - Assistant Deputy Ministers					
Family and Population Health [6][9]	138,147	-	36,629	174,776	238,225
Financial and Corporate Services	221,825	1,850	67,277	290,952	286,993
Health Benefits and Compliance [6][9]	130,442	279,661	55,879	465,982	225,027
Health Disaster Recovery Team [7][9]	90,995	-	25,157	116,152	-
Health Information Technology and Systems	163,423	2,350	46,205	211,978	224,135
Health Services [8]	74,789	1,850	3,107	79,746	-
Health System Accountability and Performance [8]	34,324	1,850	12,567	48,741	-
Primary Health Care [9]	133,715	233,284	98,469	465,468	246,821
Professional Services and Health Benefits [10]	179,453	1,850	52,017	233,320	241,310
Seniors Services and Continuing Care [6][9]	145,662	-	39,448	185,110	248,214
Strategic Planning and Policy Development [11]	192,611	1,850	56,017	250,478	240,179
Executives - Other					
Executive Director, Human Resources	132,479	1,850	34,560	168,889	198,552

[1] Base salary includes pensionable base pay.

[2] Other cash benefits include vacation payouts, lump sum payments, severance, compensated absences, and automobile allowance. There were no bonuses paid in 2014.

[3] Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plan, health care, dental coverage, group life insurance, short and long-term disability plans, professional memberships and tuition fees.

[4] Automobile provided, no dollar amount is included in other non-cash benefits.

[5] The positions were created on January 23, 2013.

[6] The position was occupied by two individuals at different times during the year.

[7] The position was created on July 8, 2013 to coordinate the flood recovery efforts.

[8] The positions were created on January 15, 2014.

[9] These divisions were abolished effective January 15, 2014 as a result of restructuring.

[10] This division was renamed from Health Workforce effective January 15, 2014 as a result of restructuring.

[11] This division was renamed from Strategic Services effective January 15, 2014 as a result of restructuring.

Schedule to Financial Statements

Year Ended March 31, 2014

SCHEDULE 8

Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel in the department. Entities in the Ministry include AHS and its controlled entities, HQCA, and AIHS.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Department had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amounts of consideration agreed upon between the related parties.

	Entities in the Ministry		Other Entities	
	2014	2013 (Restated - Note 3)	2014	2013 (Restated - Note 3)
Revenues				
Grants	$ -	$ -	$ 111,389	$ 91,550
Other	10,936	20,039	594	263
	$ 10,936	$ 20,039	$ 111,983	$ 91,813
Expenses - Directly Incurred				
Grants [1]	$ 11,818,849	$ 11,403,147	$ 101,724	$ 88,903
Other Services	-	-	9,730	8,674
	$ 11,818,849	$ 11,403,147	$ 111,454	$ 97,577
Receivable from	$ 1,906	$ 15,255	$ 10	$ -
Payable to	$ 23,151	$ 98,105	$ 15,051	$ 5,235
Contractual Obligations	$ 938,974	$ 1,057,492	$ 81,433	$ 29,561

[1] The grants paid to AHS include amounts that are separately reported on the Statement of Operations.

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 9.

	Entities in the Ministry		Other Entities	
	2014	2013	2014	2013
Expenses - Incurred by Others				
Accommodation	$ -	$ -	$ 15,401	$ 14,739
Legal	-	-	4,416	3,912
Other	-	-	11,123	9,985
	$ -	$ -	$ 30,940	$ 28,636

Schedule to Financial Statements

Year Ended March 31, 2014

SCHEDULE 9

Allocated Costs

(in thousands)

	2014					2013
		Expenses - Incurred by Others				(Restated - Note 3)
	Expenses [1]	Accommodation Costs [2]	Legal Services [3]	Other Costs [4]	Total	Total
Ministry Support Services	$ 80,087	$ 15,401	$ 4,416	$ 11,123	$ 111,027	$ 102,883
Primary Care Physician Remuneration	1,291,194	-	-	-	1,291,194	1,183,142
Specialist Physician Remuneration	2,165,442	-	-	-	2,165,442	2,020,902
Physician Development	146,293	-	-	-	146,293	143,843
Physician Benefits	152,566	-	-	-	152,566	168,613
Allied Health Services	73,012	-	-	-	73,012	66,911
Human Tissue and Blood Services	148,204	-	-	-	148,204	158,742
Drugs and Supplemental Health Benefits	1,261,075	-	-	-	1,261,075	1,201,583
Community Programs and Healthy Living	145,612	-	-	-	145,612	129,537
Support Programs	197,292	-	-	-	197,292	183,343
Alberta Health Services Base Operating Funding	10,495,788	-	-	-	10,495,788	10,213,791
Alberta Health Services Operating Costs of New Facilities	304,730	-	-	-	304,730	145,285
Primary Health Care/Addictions & Mental Health	232,143	-	-	-	232,143	209,954
Enhanced Home Care and Rehabilitation	37,912	-	-	-	37,912	31,400
Information Systems	97,162	-	-	-	97,162	114,524
Seniors Services	37,729	-	-	-	37,729	49,909
Alberta Seniors Benefit	328,904	-	-	-	328,904	329,673
Alberta Innovates - Health Solutions	86,389	-	-	-	86,389	79,193
Cancer Research and Prevention Investment	25,000	-	-	-	25,000	12,500
Infrastructure Support	63,508	-	-	-	63,508	74,449
	$ 17,370,042	$ 15,401	$ 4,416	$ 11,123	$ 17,400,982	$ 16,620,177

[1] Expenses - Directly Incurred as per Statement of Operations.

[2] Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 8.

[3] Costs shown for Legal Services on Schedule 8.

[4] Other Costs includes services the Department receives under contracts managed by Service Alberta shown on Schedule 8.

Unaudited Information

Ministry of Health

Unaudited Information

MINISTRY OF HEALTH

STATEMENT OF REMISSIONS, COMPROMISES AND WRITE-OFFS

FOR THE YEAR ENDED MARCH 31, 2014

(UNAUDITED)
(in thousands)

		2014	2013
Compromises			
	Health Care Insurance Premiums	$ 16	$ 85
Write-Offs			
	Health Care Insurance Premiums	215	1,072
	Medical Claim Recoveries	2,394	1,973
	Alberta Blue Cross	462	901
	Pharmaceutical Funding Branch	154	–
	Work Force Planning	235	–
	Alberta Seniors Benefit	134	147
	West Nile Virus and Registries	–	14
	Penalties, Interest and Miscellaneous Charges	9	35
Total Remissions, Compromises and Write-offs		$ 3,619	$ 4,227

The above statement has been prepared pursuant to Section 23 of the *Financial Administration Act*. The statement includes all remissions, compromises and write-offs made or approved during the fiscal year.

Alberta Health Services, Health Quality Council of Alberta and Alberta Innovates – Health Solutions Financial Statement Highlights

This section highlights the financial results of Alberta Health Services (AHS), Health Quality Council of Alberta (HQCA) and Alberta Innovates – Health Solutions (AIHS) for the fiscal year ended March 31, 2014. The financial statements were prepared under Alberta Health's Financial Directives (AHS only) and Public Sector Accounting Standards.

Alberta Health Services

Operating Results

- For fiscal 2013-14 AHS reported a $156 million annual operating surplus, compared to a prior year surplus of $106 million.
- 2013-14 expenses were $13.1 billion, compared to $12.6 billion in the prior year — a 4.0 per cent increase overall, of which 2.4 per cent or $296 million relates to salaries and benefits. AHS employed 73,360 Full-Time-Equivalents as of March 31, 2014.
- Administration costs in 2013-14 were $444 million, or 3.4 per cent of total expenses. 2012-13 administration costs were also $444 million, but 3.5 per cent of total expenses.

Financial Position

- AHS reported tangible capital assets of $7.5 billion at March 31, 2014, the same as in the prior year.
- At March 31, 2014, AHS reported debt of $350 million, a decrease of $25 million from the prior year, the majority of which relates to the construction of parkades. AHS is compliant with its authorized borrowing limits.
- At March 31, 2014, AHS reported net assets of $1.3 billion.

Health Quality Council of Alberta

Operating Results

- For fiscal 2013-14 HQCA reported an annual operating surplus of $485 thousand, compared to a prior year surplus of $1.4 million. The decreased surplus was due to the hiring of new staff and a health ethics expert to complete previously deferred projects and to enhance HQCA's role in provincial health ethics.
- 2013-14 expenses were $6.7 million, compared to $6.1 million in the prior year — a 10.0 per cent increase overall, including a 9.1 per cent increase for salaries and benefits. HQCA employed 24 Full-Time-Equivalents as of March 31, 2014.

Financial Position

- At March 31, 2014, HQCA reported net assets of $2.4 million, of which $649 thousand is designated for leasehold improvements in the 2014-15 fiscal year.
- HQCA reported tangible capital assets of $149 thousand at March 31, 2014, compared to $152 thousand in the prior year.
- HQCA has no debt.

Alberta Innovates — Health Solutions

Operating Results

- For fiscal 2013-14 AIHS reported an annual operating deficit of $2.0 million, compared to a prior year surplus of $13.6 million. The deficit arises from implementation of previously delayed grant competitions and an increase in staffing to accommodate increased activity and changes in the business model.
- 2013-14 expenses were $105.3 million, compared to $75.9 million in the prior year – a 38.7 per cent increase overall, including an increase of 6.6% for salaries and benefits. AIHS employed 59 Full-Time-Equivalents as of March 31, 2014.

Financial Position

- At March 31, 2014, AIHS reported net assets of $35.9 million, a decrease of $2.0 million from the prior year.
- AIHS reported tangible capital assets of $943 thousand at March 31, 2014, compared to $1.1 million in the prior year.
- AIHS has no debt.

ALBERTA HEALTH SERVICES, HEALTH QUALITY COUNCIL OF ALBERTA AND ALBERTA INNOVATES - HEALTH SOLUTIONS
ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED MARCH 31, 2014

	ALBERTA HEALTH SERVICES		HEALTH QUALITY COUNCIL OF ALBERTA		ALBERTA INNOVATES - HEALTH SOLUTIONS	
	2013/2014 ACTUAL	2012/2013 ACTUAL	2013/2014 ACTUAL	2012/2013 ACTUAL	2013/2014 ACTUAL	2012/2013 ACTUAL
I. OPERATING SURPLUS/(DEFICIT) AS A % OF TOTAL REVENUE	1.2%	0.8%	6.7%	19.3%	-1.9%	15.2%
II. ADMINISTRATION COST AS A % OF TOTAL EXPENSES	3.4%	3.5%	35.0%	37.0%	8.8%	11.3%
III. TOTAL FTEs *(excludes Board)*	73,360	72,243	24	20	59	47

Financial Information

Alberta Health Services

Consolidated Financial Statements

March 31, 2014

Alberta Health Services

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

Alberta Health Services

Alberta Health Services

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements for the year ended March 31, 2014 are the responsibility of management and have been reviewed and approved by senior management. The consolidated financial statements were prepared in accordance with Canadian Public Sector Accounting Standards and the financial directives issued by Alberta Health, and of necessity include some amounts based on estimates and judgment.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains systems of financial management and internal control which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- safeguard the assets and properties of the Province under Alberta Health Services' administration

Alberta Health Services carries out its responsibility for the consolidated financial statements through the Audit and Finance Advisory Committee. This Committee meets with management and the Auditor General of Alberta to review financial matters, and recommends the consolidated financial statements to the Alberta Health Services Official Administrator for approval upon finalization of the audit. The Auditor General of Alberta has free access to the Audit and Finance Advisory Committee.

The Auditor General of Alberta provides an independent audit of the consolidated financial statements. His examination is conducted in accordance with Canadian Generally Accepted Auditing Standards and includes tests and procedures which allow him to report on the fairness of the consolidated financial statements prepared by management.

[Original signed by]

Vickie Kaminski
President and Chief Executive Officer
Alberta Health Services

[Original signed by]

Deborah Rhodes, CA
Acting Vice President Corporate Services and Chief Financial Officer
Alberta Health Services

[Original signed by]

Brenda Huband
Interim President and Chief Executive Officer,
Zone and Health Operations
Alberta Health Services

[Original signed by]

Rick Trimp
Interim President and Chief Executive Officer,
Population Health and Province-Wide Services
Alberta Health Services

June 5, 2014

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Official Administrator of Alberta Health Services

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of Alberta Health Services, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations, accumulated remeasurement gains and losses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Alberta Health Services as at March 31, 2014, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

June 5, 2014

Edmonton, Alberta

CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31

	2014 Budget (Note 3)	2014 Actual	2013 Actual (Note 26)
Revenue:			
Alberta Health transfers			
Base operating grant	$ 10,521,000	$ 10,495,788	$ 10,213,791
Other operating grants	1,436,000	1,257,279	1,068,026
Capital grants	98,000	87,173	106,688
Other government transfers (Note 4)	389,000	386,792	393,135
Fees and charges	456,000	432,198	412,038
Ancillary operations	129,000	125,653	117,726
Donations, fundraising, and non-government grants (Note 5)	131,000	155,039	144,067
Investment and other income (Note 6)	195,000	284,228	219,132
TOTAL REVENUE	13,355,000	13,224,150	12,674,603
Expenses:			
Inpatient acute nursing services	3,004,000	3,069,095	2,972,309
Emergency and other outpatient services	1,530,000	1,509,880	1,440,730
Facility-based continuing care services	929,000	895,989	905,909
Ambulance services	421,000	442,848	409,239
Community-based care	1,164,000	1,040,473	954,522
Home care	501,000	505,751	507,009
Diagnostic and therapeutic services	2,234,000	2,193,635	2,074,711
Promotion, prevention, and protection services	361,000	333,189	330,775
Research and education	252,000	221,838	224,623
Administration (Note 7)	481,000	443,991	444,358
Information technology	479,000	516,643	454,919
Support services (Note 8)	1,999,000	1,895,127	1,849,108
TOTAL EXPENSES (Schedule 1)	13,355,000	13,068,459	12,568,212
OPERATING SURPLUS	$ -	155,691	106,391
Accumulated surplus, beginning of year		1,078,114	971,723
Accumulated surplus, end of year (Note 19)		$ 1,233,805	$ 1,078,114

The accompanying notes and schedules are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31

	2014 Actual	2013 Actual (Note 26)
Assets:		
Cash and cash equivalents (Note 11)	$ 606,070	$ 684,604
Portfolio investments (Note 12)	1,728,853	1,415,223
Accounts receivable (Note 13)	379,245	363,421
Other assets	11,604	12,455
Tangible capital assets (Note 14)	7,502,495	7,515,882
Inventories for consumption	98,252	93,548
Prepaid expenses (Note 24)	106,399	86,119
TOTAL ASSETS	$ 10,432,918	$ 10,171,252
Liabilities:		
Accounts payable and accrued liabilities (Note 15)	$ 1,195,016	$ 1,157,924
Employee future benefits (Note 16)	554,532	524,827
Deferred revenue (Note 17)	7,005,555	6,959,575
Debt (Note 18)	350,368	375,384
TOTAL LIABILITIES	9,105,471	9,017,710
Net Assets:		
Accumulated surplus (Note 19)	1,233,805	1,078,114
Accumulated remeasurement gains and losses	24,846	10,221
Endowments (Note 20)	68,796	65,207
TOTAL NET ASSETS	1,327,447	1,153,542
	$ 10,432,918	$ 10,171,252

Contractual Obligations and Contingent Liabilities (Note 21)

The accompanying notes and schedules are part of these consolidated financial statements.

Approved by:

[Original signed by]

Dr. John Cowell
Official Administrator
Alberta Health Services

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31

	2014 Budget (Note 3)	2014 Actual	2013 Actual (Note 26)
Operating transactions:			
Operating surplus	$ -	$ 155,691	$ 106,391
Non-cash items:			
Amortization, disposals, and write-downs	560,000	564,926	533,168
Recognition of expended deferred capital revenue	(390,000)	(374,317)	(375,307)
Revenue recognized for acquisition of land	-	(1,224)	(15)
Decrease (increase) in:			
Accounts receivable related to operating transactions	(32,000)	(37,073)	56,217
Inventories for consumption	(5,000)	(4,704)	3,192
Other assets	1,000	851	25,627
Prepaid expenses	(16,000)	(20,280)	(26,533)
Increase (decrease) in:			
Accounts payable and accrued liabilities related to operating transactions	37,000	150,230	(90,874)
Employee future benefits	8,000	29,705	10,312
Deferred revenue related to operating transactions	37,000	(44,840)	(131,555)
Cash provided by operating transactions	200,000	418,965	110,623
Capital transactions:			
Acquisition of tangible capital assets	(410,000)	(286,015)	(527,349)
Increase (decrease) in accounts payable and accrued liabilities related to capital transactions	13,000	(111,640)	(103,939)
Cash applied to capital transactions	(397,000)	(397,655)	(631,288)
Investing transactions:			
Purchase of portfolio investments	(2,327,000)	(3,851,627)	(2,573,213)
Proceeds on sale of portfolio investments	2,402,000	3,572,082	2,731,366
Cash provided by (applied to) investing transactions	75,000	(279,545)	158,153
Financing transactions:			
Deferred capital revenue received	144,000	206,276	250,962
Deferred capital revenue returned	(2,000)	(7,957)	(128,042)
Deferred capital revenue payable transferred from accounts payable and accrued liabilities	-	-	119,754
Proceeds from debt	-	-	32,300
Principal payments on debt	(18,000)	(18,618)	(40,384)
Cash provided by financing transactions	124,000	179,701	234,590
Net increase (decrease) in cash and cash equivalents	2,000	(78,534)	(127,922)
Cash and cash equivalents, beginning of year	883,000	684,604	812,526
Cash and cash equivalents, end of year	$ 885,000	$ 606,070	$ 684,604

The accompanying notes and schedules are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF ACCUMULATED REMEASUREMENT GAINS AND LOSSES
YEAR ENDED MARCH 31

	2014 Actual	2013 Actual (Note 26)
Balance, beginning of year	$ 10,221	$ -
Adjustment on adoption of the financial instruments standard	-	5,272
Unrestricted unrealized net gains on portfolio investments	29,581	6,858
Amounts reclassified to the Consolidated Statement of Operations related to portfolio investments	(14,956)	(1,909)
Net remeasurement gains for the year	14,625	10,221
Balance, end of year (Note 12)	$ 24,846	$ 10,221

The accompanying notes and schedules are part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

Note 1 Authority, Purpose and Operations

Alberta Health Services (AHS) was established under the *Regional Health Authorities Act* (Alberta), effective April 1, 2009, as a result of the amalgamation of 12 formerly separate health entities in Alberta.

Pursuant to Section 5 of the *Regional Health Authorities Act* (Alberta), AHS is responsible in Alberta to:

- promote and protect the health of the population in the health region and work toward the prevention of disease and injury;
- assess on an ongoing basis the health needs of the health region;
- determine priorities in the provision of health services in the health region and allocate resources accordingly;
- ensure that reasonable access to quality health services is provided in and through the health region; and
- promote the provision of health services in a manner that is responsive to the needs of individuals and communities and supports the integration of services and facilities in the health region.

Additionally, AHS is accountable to the Minister of Health (the Minister) for the delivery and operation of the public health system.

The AHS consolidated financial statements include the revenue and expenses associated with its responsibilities. These consolidated financial statements do not reflect the complete costs of provincial health care. For example, the Department of Health is responsible for paying most physician fees. For a complete picture of the costs of provincial healthcare, readers should consult the consolidated financial statements of the Government of Alberta.

AHS and its contracted health service providers deliver health services at facilities and sites grouped in the following areas: addiction treatment, community mental health, standalone psychiatric facilities, acute care hospitals, sub-acute care in auxiliary hospitals, long-term care, palliative care, supportive living, cancer care, community ambulatory care centres and urgent care centres.

AHS is exempt from the payment of income taxes under the *Income Tax Act* (Canada).

Note 2 Significant Accounting Policies and Reporting Practices

(a) Basis of Presentation

AHS operates as a Government Not-for-Profit Organization. These consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) and the financial directives issued by Alberta Health (AH).

These financial statements have been prepared on a consolidated basis and include the following entities:

(i) Controlled Entities

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the following entities which are controlled by AHS as at March 31, 2014:

Wholly Owned Subsidiaries:

- Calgary Laboratory Services Ltd. (CLS), who provides medical diagnostic services in Calgary and southern Alberta.
- Capital Care Group Inc. who manages continuing care programs and facilities in the Edmonton area.
- Carewest, who manages continuing care programs and facilities in the Calgary area.

Note 2 **Significant Accounting Policies and Reporting Practices (continued)**

Foundations and Trusts:

Airdrie Health Foundation
Alberta Cancer Foundation (ACF)
Bassano and District Health Foundation
Bow Island and District Health Foundation
Brooks and District Health Foundation
Calgary Health Trust (CHT)
Canmore and Area Health Care Foundation
Capital Care Charitable Trust
Cardston and District Health Foundation
Claresholm and District Health Foundation
Crowsnest Pass Health Foundation
David Thompson Health Trust
Fort Macleod and District Health Foundation
Fort Saskatchewan Community Hospital Foundation
Grande Cache Hospital Foundation
Grimshaw/Berwyn Hospital Foundation
Jasper Health Care Foundation
Lacombe Hospital and Care Centre Foundation
Medicine Hat and District Health Foundation
Mental Health Foundation
North County Health Foundation
Oyen and District Health Care Foundation
Peace River and District Health Foundation
Ponoka and District Health Foundation
Stettler Health Services Foundation
Strathcona Community Hospital Foundation
Tofield and Area Health Services Foundation
Viking Health Foundation
Vulcan County Health and Wellness Foundation
Windy Slopes Health Foundation

The following foundations are also considered controlled, but are in the process of being wound-up or are considered to be inactive:

Central Peace Hospital Foundation
Lakeland Regional Health Authority
Manning Community Health Centre Foundation
McLennan Community Health Care Foundation
Peace Health Region Foundation
Vermillion and Region Health and Wellness Foundation

Provincial Health Authorities of Alberta Liability and Property Insurance Plan (LPIP):

AHS consolidates its interest in the LPIP. AHS has the majority of representation on the LPIP's governance board and is therefore considered to control the LPIP. The main purpose of the LPIP is to share the risks of general and professional liability to lessen the impact on any one subscriber. The LPIP is exempt from the payment of income tax but is subject to the Alberta provincial premium tax.

Other:

Queen Elizabeth II Hospital Child Care Centre

(ii) Government Partnerships

AHS uses the proportionate consolidation method to account for its 30% interest in the HUTV Limited Partnership (HUTV) with David Chittick Management Ltd, its 50% interest in the Northern Alberta Clinical Trials Centre (NACTRC) partnership with the University of Alberta, and its 50% interest in the Primary Care Network (PCN) government partnerships with physician groups (Note 23).

AHS has joint control with various physician groups over PCNs. AHS entered into local primary care initiative agreements to jointly manage and operate the delivery of primary care services, to achieve the PCN business plan objectives, and to contract and hold property interests required in the delivery of PCN services.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

The following PCNs are included in these consolidated financial statements on a proportionate basis:

Alberta Heartland Primary Care Network
Aspen (Athabasca) Primary Care Network
Big Country Primary Care Network
Bonnyville Primary Care Network
Bow Valley Primary Care Network
Calgary Foothills Primary Care Network
Calgary Rural Primary Care Network
Calgary West Central Primary Care Network
Camrose Primary Care Network
Chinook Primary Care Network
Cold Lake Primary Care Network
Drayton Valley Primary Care Network
Edmonton North Primary Care Network
Edmonton Oliver Primary Care Network
Edmonton Southside Primary Care Network
Edmonton West Primary Care Network
Grande Cache Primary Care Network
Grande Prairie Primary Care Network
Highland Primary Care Network
Kalyna Country (Vegreville/Vermillion) Primary Care Network
Lakeland (St. Paul/Aspen) Primary Care Network
Leduc Beaumont Devon Primary Care Network
Lloydminster Primary Care Network
McLeod River Primary Care Network
Mosaic Primary Care Network
Northwest Primary Care Network
Palliser Primary Care Network
Peace Region Primary Care Network
Peaks to Prairies Primary Care Network
Provost/Consort Primary Care Network
Red Deer Primary Care Network
Rocky Mountain House Primary Care Network
Sexsmith/Spirit River Primary Care Network
Sherwood Park - Strathcona County Primary Care Network
South Calgary Primary Care Network
St. Albert & Sturgeon Primary Care Network
Wainwright Primary Care Network
West Peace Primary Care Network
WestView Primary Care Network
Wetaskiwin Primary Care Network
Wolf Creek Primary Care Network
Wood Buffalo Primary Care Network

(iii) Other

These consolidated financial statements include the payments to voluntary and private organizations under contract to provide health services in the Province of Alberta (Note 9). Also included are certain tangible capital assets owned by AHS but operated by contracted health service providers. Other operations not funded by AHS and other assets and liabilities of the contracted health service providers are not included in these consolidated financial statements. These consolidated financial statements also do not include the trust funds administered on behalf of others (Note 25).

Note 2 **Significant Accounting Policies and Reporting Practices (continued)**

(b) Revenue Recognition

Revenue is recognized in the period in which the transactions or events occur that give rise to the revenue as described below. All revenue is recorded on an accrual basis, except when the accrual cannot be determined within a reasonable degree of certainty or when estimation is impracticable.

(i) Government Grants

Transfers from AH, other governments, and other government entities are referred to as government grants.

Government grants are recorded as deferred revenue if the terms for use of the grant, or the terms along with AHS' actions and communications as to the use of the grant, create a liability. These grants are recognized as revenue as the terms are met and, when applicable, AHS complies with its communicated use of the grant. All unrealized gains and losses attributable to these grants are recognized as an increase or decrease in deferred revenue.

All other government grants without terms for the use of the grant are recorded and recognized as revenue when AHS is eligible to receive the funds.

(ii) Donations, Fundraising, and Non-Government Grants

Donations, fundraising, and non-government grants are received from individuals, corporations, and other not-for-profit organizations. Donations, fundraising, and non-government grants may be unrestricted or externally restricted for operating or capital purposes.

Unrestricted donations, fundraising, and non-government grants are recorded as revenue in the year received or in the year the funds are committed to AHS if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted donations, fundraising, and non-government grants are recorded as deferred revenue if the terms for their use, or the terms along with AHS' actions and communications as to their use create a liability. These resources are recognized as revenue as the terms are met and, when applicable, AHS complies with its communicated use. All unrealized gains and losses attributable to externally restricted donations, fundraising and non-government grants are recognized as an increase or decrease in deferred revenue.

In-kind donations of services and materials are recorded at fair value when such value can reasonably be determined. While volunteers contribute a significant amount of time each year to assist AHS, the value of their services is not recognized as revenue and expenses in the consolidated financial statements because fair value cannot be reasonably determined.

(iii) Grants and Donations of or for Land

AHS records grants and donations to buy land as a liability when received and recognizes as revenue when AHS buys the land. AHS recognizes in-kind contributions of land as revenue at the fair value of the land when a fair value can be reasonably determined. When AHS cannot determine the fair value, it records such in-kind contributions at nominal value.

(iv) Endowments

Donations, fundraising, government grants, and non-government grants that must be maintained in perpetuity are recognized as a direct increase in endowment net assets when received or receivable.

All unrealized gains and losses attributable to endowments are recognized as an increase or decrease in deferred revenue.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

Expendable realized gains and losses attributable to endowments are recognized as increases or decreases in deferred revenue when received or receivable and are subsequently recognized in the Consolidated Statement of Operations when terms of use are met, as stipulated by the donors. Realized investment gains for endowment capital preservation purposes are recognized as a direct increase in endowment net assets when received or receivable.

(v) Fees and Charges, Ancillary Operation, and Other Income

Fees and charges, ancillary operations, and other income are recognized in the period that goods are delivered or services are provided. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

(vi) Investment Income

Investment income includes dividend and interest income, and realized gains or losses on the sale of portfolio investments. Unrealized gains and losses on portfolio investments that are not from restricted grants or donations are recognized in the Consolidated Statement of Accumulated Remeasurement Gains and Losses until the related investments are sold. Once realized, these gains or losses are recognized in the Consolidated Statement of Operations except for restricted investment income which is recognized as revenue in the period the related expenses are incurred or the terms of use are met.

(c) Expenses

The key elements of AHS' expense recognition policy are:

(i) Directly incurred expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Interest expense includes debt sourcing costs.

Expenses include grants and transfers under shared cost agreements. Grants and transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

(ii) Expenses incurred include contracted health services provided by other entities in support of AHS' responsibilities and operations and are disclosed in Note 9.

(d) Financial Instruments

All of AHS' financial assets and liabilities are initially recorded at their fair value. The following table identifies AHS' financial assets and liabilities and identifies how they are subsequently measured:

Financial Assets and Liabilities	Subsequent Measurement and Recognition
Cash and cash equivalents and portfolio investments	Measured at fair value with changes in fair values recognized in the Consolidated Statement of Accumulated Remeasurement Gains and Losses, accounts payable, or deferred revenue until realized at which time the cumulative changes in fair value are recognized in the Consolidated Statement of Operations.
Accounts receivable, accounts payable and accrued liabilities and debt	Measured at cost or amortized cost using the effective interest rate method.

Note 2 **Significant Accounting Policies and Reporting Practices (continued)**

PSAS requires portfolio investments in equity instruments to be recorded under the fair value category and AHS may choose to record other financial assets under the fair value category if there is an investment strategy to evaluate the performance of a group of these financial assets on a fair value basis. AHS has elected to record its money market securities and fixed income securities at fair value. The three levels of information that may be used to measure fair value are:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

AHS measures and recognizes embedded derivatives separately from the host contract when the economic characteristics and risk of the embedded derivative are not closely related to those of the host contract, when it meets the definition of a derivative and when the entire contract is not measured at fair value. Embedded derivatives are recorded at fair value. For the year ended March 31, 2014, AHS has no embedded derivatives that require separation from the host contract.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported as a realized loss on the Consolidated Statement of Operations.

Transaction costs associated with the acquisition and disposal of cash and cash equivalents and portfolio investments are expensed as incurred. Investment management fees are expensed as incurred. The purchase and sale of cash and cash equivalents and portfolio investments are accounted for using trade-date accounting.

(e) Inventories For Consumption

Inventories for consumption or distribution at no charge are valued at lower of cost (defined as moving average cost) and current replacement value.

(f) Tangible Capital Assets

Tangible capital assets and work in progress are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the assets. Cost includes overhead directly attributable to construction and development including interest costs that are directly attributable to the acquisition or construction of the asset. Contributed tangible capital assets and work in progress acquired from other government organizations and other entities are recorded at their fair value on the date of donation. When AHS cannot determine the fair value, in-kind contributions are recorded at a nominal value. Costs incurred by Alberta Infrastructure (AI) to build tangible capital assets on behalf of AHS are recorded by AHS as work in progress and expended deferred capital revenue as AI incurs costs.

Works of art, historical treasures, and collections are expensed when purchased or contributed and not recognized in tangible capital assets.

The threshold for capitalizing new systems development is $250 and major system enhancements is $100. The threshold for all other tangible capital assets is $5. All land is capitalized.

Note 2 **Significant Accounting Policies and Reporting Practices (continued)**

The cost less residual value of tangible capital assets, excluding land, is amortized over their estimated useful lives on a straight-line basis as follows:

	Useful Life
Facilities and improvements	10-40 years
Equipment	2-20 years
Information systems	3-5 years
Leased vehicles, facilities and improvements	Term of lease
Building service equipment	5-40 years
Land improvements	5-40 years

Work in progress, which includes facility and improvement projects and development of information systems, is not amortized until after a project is substantially complete and the assets are put into service.

Leases transferring substantially all benefits and risks of tangible capital asset ownership are reported as tangible capital asset acquisitions financed by long-term obligations. These capital lease obligations are recorded at the present value of the minimum lease payments excluding executory costs (e.g. insurance, maintenance costs, etc.).

The discount rate used to determine the present value of the lease payments is the lower of AHS' rate for incremental borrowing or the interest rate implicit in the lease. Note 18(c) provides a schedule of repayments and amount of interest on the leases.

Tangible capital assets are written down when conditions indicate that they no longer contribute to AHS' ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Consolidated Statement of Operations. Write-downs are not reversed.

(g) Employee Future Benefits

(i) Registered Benefit Pension Plans

AHS participates in the following registered defined benefit pension plans: the Local Authorities Pension Plan (LAPP) and the Management Employees Pension Plan (MEPP). These multi-employer public sector defined benefit plans provide pensions for participants based on years of service and final average earnings. Benefits for post-1991 service payable under these plans are limited by the *Income Tax Act* (Canada). The President of Alberta Treasury Board and Minister of Finance is the legal trustee and administrator of the plans. The Department of Treasury Board and Finance as a co-sponsor accounts for its share of obligations for these pension plans relating to former and current employees of all of the organizations included in the Government of Alberta (GOA) consolidated reporting entity on a defined benefit basis. As a participating government organization, AHS accounts for these plans on a defined contribution basis. Accordingly, the pension expense recorded for these plans in these consolidated financial statements is comprised of the employer contributions that AHS is required to pay for its employees during the fiscal year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

(ii) Other Defined Contribution Pension Plans

AHS sponsors Group Registered Retirement Savings Plans (GRRSPs) for certain employee groups. Under the GRRSPs, AHS matches a certain percentage of any contribution made by plan participants up to certain limits. AHS also sponsors a defined contribution pension plan for certain employee groups where the employee and employer each contribute specified percentages of pensionable earnings.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(iii) Supplemental Executive Retirement Plans (SERPs)

AHS sponsors SERPs which are funded and has three Retirement Compensation Arrangements (RCA) for these plans. These plans cover certain employees and supplement the benefits under AHS' registered plans that are limited by the *Income Tax Act* (Canada). Each plan was closed to new entrants effective April 1, 2009. A majority of the SERPs are final average plans; however, certain participant groups have their benefits determined on a career average basis. Also, some participant groups receive post-retirement indexing similar to the benefits provided under the registered defined benefit pension plans, while others receive non-indexed benefits.

Due to *Income Tax Act* (Canada) requirements, the SERPs are subject to the RCA rules; therefore approximately half the assets are held in a non-interest bearing Refundable Tax Account with the Canada Revenue Agency. The remaining assets of the SERPs are invested in a combination of Canadian equities and Canadian fixed income securities.

The obligations and costs of these benefits are determined annually through an actuarial valuation as at March 31 using the projected benefit method pro-rated on service. AHS uses a discount rate based on plan asset earnings to calculate the accrued benefit obligation.

The net retirement benefit cost of SERPs reported in these consolidated financial statements is comprised of the retirement benefits expense and the retirement benefits interest expense. The key components of retirement benefits expense include the current period benefit cost, cost of any plan amendments including related net actuarial gains or losses incurred in the period, gains and losses from any plan settlements or curtailments incurred in the period, and amortization of actuarial gains and losses. Retirement benefit costs are not cash payments in the period but are the period expense for rights to future compensation. Costs shown reflect the total estimated cost to provide annual pension income over an actuarially determined post employment period. SERP provides future pension benefits to participants based on years of service and earnings. The cost of these benefits is actuarially determined using the projected benefit method pro-rated on services, a market interest rate, and management's best estimate of expected costs and the period of benefit coverage. The retirement benefits interest expense is net of the interest cost on the accrued benefit obligation and the expected return on plan assets. The actuarial gains and losses that arise are accounted for in accordance with PSAS whereby AHS amortizes actuarial gains and losses from the liability or asset over the average remaining service life of the related employee group.

Prior period service costs arising from plan amendments are recognized in the period of the plan amendment. When an employee's accrued benefit obligation is fully discharged, all unrecognized amounts associated with that employee are fully recognized in the net retirement benefit cost in the following year.

In the case of a curtailment event which results in the elimination for a significant number of active employees of the right to earn defined benefits for their future services, a curtailment gain or loss is recorded. Gains and losses determined upon a curtailment are accounted for in the period of the curtailment.

(iv) Supplemental Pension Plan (SPP)

Subsequent to April 1, 2009, staff eligible for SERP are enrolled in a defined contribution SPP. Similar to the SERP, the SPP supplements the benefits under AHS registered plans that are limited by the *Income Tax Act* (Canada). AHS contributes a certain percentage of an eligible employee's pensionable earnings, excluding pay at risk, if any, in excess of the limits of the *Income Tax Act* (Canada). This plan provides participants with an account balance at retirement based on the contributions made to the plan and investment income earned on the contributions based on investment decisions made by the participant.

Note 2 **Significant Accounting Policies and Reporting Practices (continued)**

(v) Sick Leave Liability

Sick leave benefits accumulate with employees' service and are provided by AHS to certain employee groups of AHS, as defined by employment agreements, to cover illness related absences that are outside of short-term and long-term disability coverage. Benefit amounts are determined and accumulate with reference to employees' final earnings at the time they are paid out. The cost of the accumulating non-vesting sick leave benefits is expensed as the benefits are earned.

AHS accrues its liabilities for accumulating non-vesting sick leave benefits but does not record a liability for replenishing sick leave benefits as these are renewed annually.

The AHS sick leave liability is based on an actuarial evaluation as at March 31, 2012, and extrapolated for the years ending March 31, 2013 and March 31, 2014. The next required actuarial valuation will be as of March 31, 2015.

The accumulating non-vesting sick leave liability is actuarially determined using the projected benefit method prorated on service and management's best estimates of expected discount rate, inflation, rate of compensation increase, termination and retirement rates, and mortality. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service.

Any resulting net actuarial gain (loss) is deferred and amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

(vi) Other Benefits

AHS provides its employees with basic life, accidental death and dismemberment, short-term disability, long-term disability, extended health, dental, and vision benefits through benefits carriers. AHS fully accrues its obligations for employee non-pension future benefits.

(h) Net Assets

Net assets represent the difference between the carrying value of assets held by AHS and its liabilities.

PSAS requires a "net debt" presentation for the statement of financial position in the summary financial statements of government. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenue required to pay for past transactions and events. AHS operates within the government reporting entity, and does not finance all of its expenditures by independently raising revenue. Accordingly, these consolidated financial statements do not report a net debt indicator.

(i) Measurement Uncertainty

The consolidated financial statements, by their nature, contain estimates and are subject to measurement uncertainty. Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The amounts recorded for amortization of tangible capital assets is based on the estimated useful life of the related assets while the recognition of expended deferred capital revenue depends on when the terms for the use of the funding are met and, when applicable, AHS complies with its communicated use of the funding. The amounts recorded for employee future benefits are based on estimated future cash flows. The provision for unpaid claims, allowance for doubtful accounts and accrued liabilities are subject to significant management estimates and assumptions. These estimates and assumptions are reviewed at least annually. Actual results could differ from the estimates determined by management in these consolidated financial statements, and these differences, which may be material, could require adjustment in subsequent reporting periods.

The establishment of the provision for unpaid claims relies on the judgment and opinions of many individuals; historical precedent and trends; prevailing legal, economic, and social and regulatory trends; and expectation as to future developments. The process of determining the provision necessarily involves risks that the actual results will deviate perhaps materially from the best estimates made.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(j) Reserves

Certain amounts, as approved by the Official Administrator, are set aside in accumulated surplus for future operating and capital purposes. Transfers to or from reserves are an adjustment to the respective reserve when approved.

(k) Future Accounting Changes

In June 2010 the Public Sector Accounting Board issued PS 3260 – Liability for Contaminated Sites, which specifically relates to sites no longer in productive use. This accounting standard is effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. AHS would be required to recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. Management does not expect the implementation of this standard to have a significant impact on the consolidated financial statements.

Note 3 Budget

The AHS Health Plan and Business Plan 2013-16, which included the 2013-14 annual budget, was approved by the members of the former AHS Board on April 8, 2013 and submitted to the Minister.

In 2013-14, AHS reclassified the following programs in its budget to be consistent with the Canadian Institute of Health Information (CIHI) definitions:

(i) $40,000 related to community cancer clinics and outpatient cancer drugs were reclassified from community-based care to emergency and other outpatient services.

(ii) $15,000 related to midwifery was reclassified from emergency and other outpatient services to community-based care.

(iii) $10,000 related to high cost drugs in Calgary was reclassified from community-based care to facility-based continuing care services.

(iv) $4,000 related to emergency preparedness was reclassified from promotion, prevention and protection services to support services.

In addition, the budget for $10,000 physicians' service revenue was reclassified from AH transfers other operating grants to investment and other income.

	Board Approved Budget	Reclassifications	Reported Budget
Revenue			
Alberta Health transfers	$ 1,446,000	$ (10,000)	$ 1,436,000
Investment and other Income	185,000	10,000	195,000
Expenses			
Emergency and other outpatient services	1,505,000	25,000	1,530,000
Facility-based continuing care services	919,000	10,000	929,000
Community-based care	1,199,000	(35,000)	1,164,000
Promotion, prevention and protection services	365,000	(4,000)	361,000
Support services	1,995,000	4,000	1,999,000

Note 4 Other Government Transfers

Other government transfers include amounts transferred from provincial and federal governments, and exclude amounts from AH as these amounts are separately disclosed on the Consolidated Statement of Operations.

	2014	2013
Unrestricted operating transactions	$ 48,479	$ 48,807
Restricted operating transactions	83,982	105,203
Restricted capital transactions	254,331	239,125
	$ 386,792	$ 393,135

Note 5 Donations, Fundraising, and Non-Government Grants

	2014	2013
Unrestricted operating transactions	$ 10,480	$ 2,181
Restricted operating transactions	111,746	112,392
Restricted capital transactions	32,813	29,494
	$ 155,039	$ 144,067

Note 6 Investment and Other Income

	2014	2013
Investment income	$ 57,757	$ 42,724
Other income:		
External recoveries excluding administrative services provided to others	132,553	107,964
External recoveries for administrative services provided to others (Note 7)	12,065	5,247
Purchase incentives and rebates	35,443	28,917
Other revenue	46,410	34,280
	$ 284,228	$ 219,132

Note 7 Administration

	2014	2013
General administration[a]	$ 207,424	$ 197,550
Human resources[b]	96,821	103,105
Finance[c]	63,657	64,551
Communications[d]	17,309	20,202
Administration expense of contracted health service providers (Note 9)[e]	58,780	58,950
Total administration expense	$ 443,991	$ 444,358
Less external recoveries for administrative services provided to others (Note 6)	(12,065)	(5,247)
Net administration expense	$ 431,926	$ 439,111

Net administration expense has been presented to align with the CIHI definition. Activities and costs directly supporting clinical activities are not included in administration.

(a) General administration includes senior leaders' expenses, the Official Administrator and former Board members expenses, and other administrative functions such as planning and development, privacy, risk management, internal audit, infection control, quality assurance, insurance, patient safety, and legal.

Note 7 Administration (continued)

(b) Human resources includes personnel services, staff recruitment and selection orientation, labour relations, employee health, and employee record keeping.

(c) Finance includes the recording, monitoring, and reporting of the financial and statistical aspects of AHS' planned and actual activities.

(d) Communications includes the receipt and transmittal of AHS' communications including telephone, paging, monitors, telex, fax, visitor information, and mail services. It also includes personnel dedicated to maintenance and repair of communication systems and devices.

(e) Administrative expense of contracted health service providers is an allocation for general administration, human resources, finance, and communication expenses incurred by voluntary and private health service providers with whom AHS contracts for health services. The allocation of expenses for contracts with health service providers is in Note 9.

Note 8 Support Services

	2014	2013
Facilities operations	$ 779,972	$ 731,741
Patient: health records, food services, and transportation	335,892	328,965
Material management	172,827	197,888
Housekeeping, laundry, and linen	209,887	196,844
Support services expense of contracted health service providers (Note 9)	116,496	113,808
Ancillary operations	109,970	110,337
Fundraising expenses and grants awarded	34,089	35,314
Emergency preparedness services	4,536	6,080
Other	131,458	128,131
	$ 1,895,127	$ 1,849,108

Note 9 Contracts with Health Service Providers

AHS is responsible for the delivery and operation of the public health system in Alberta. To this end, AHS has contracts with various voluntary and private health service providers to continue to provide health services throughout Alberta.

The direct AHS funding provided and the associated allocation of expenses in the Consolidated Statement of Operations is as follows:

Note 9 Contracts with Health Service Providers (continued)

	2014	2013
Voluntary health service providers	$ 1,320,027	$ 1,300,032
Private health service providers	938,015	866,237
Total direct AHS funding	$ 2,258,042	$ 2,166,269

	2014	2013
Inpatient acute nursing services	$ 294,230	$ 286,308
Emergency and other outpatient services	97,049	87,787
Facility-based continuing care services	568,462	543,821
Ambulance services	165,451	153,199
Community-based care	432,470	407,065
Home care	169,358	175,647
Diagnostic and therapeutic services	342,309	325,307
Promotion, prevention, and protection services	9,911	7,886
Research and education	1,291	6,106
Administration (Note 7)	58,780	58,950
Information technology	2,235	385
Support services (Note 8)	116,496	113,808
Total allocated expenses	$ 2,258,042	$ 2,166,269

Note 10 Financial Instruments

AHS is exposed to a variety of financial risks associated with the entity's financial instruments. These financial risks include market risk, price risk, interest rate risk, foreign currency risk, credit risk, and liquidity risk.

(a) Market Risk

Market risk is the risk of adverse financial impact as a consequence of market movements such as interest rates, currency rates, and other price changes.

In order to earn financial returns at an acceptable level of market risk, each of the investment policies have established a maximum asset mix. The AHS Investment Bylaw has established maximum asset mix ranges of 0% to 100% for cash and money market securities, 0% to 80% for fixed income securities, and 0% to 40% for equities.

The ACF Investment Policy has established maximum asset mix policy of 0% to 10% for money market securities, 30% to 60% for fixed income securities, and 30% to 70% for equities.

The LPIP Investment Policy has established maximum asset mix ranges of 80% to 87% for cash and fixed income securities, 10% to 15% for equities, and 3% to 5% for real estate.

The CHT Statement of Investment Policies and Goals has established a maximum asset mix policy of 30% to 70% for fixed income securities and 30% to 70% for equities.

Risk is reduced under all of the investment policies through asset class diversification, diversification within each asset class, and portfolio quality constraints.

Note 10 **Financial Instruments (continued)**

(b) Price risk

Price risk relates to the possibility that equity investments will change in fair value due to future fluctuations in market prices caused by factors specific to an individual equity investment or other factors affecting all equities traded in the market. AHS is exposed to price risk associated with the underlying equity investments held in investment funds. If equity market indices (S&P/TSX, S&P%, S&P1500 and MSCI ACWI and their sectors) declined by 10%, and all other variables are held constant, the potential loss in fair value to AHS would be approximately 2.30% of total investments (2013 - 1.50%).

A 10% change in market value relating to equity securities would have increased or decreased fair value by approximately $41,042 (2013 - $21,329).

(c) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the market interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. AHS manages the interest rate risk exposure of its fixed income investments by management of average duration and laddered maturity dates.

AHS is exposed to interest rate risk through its investments in fixed income securities with both fixed and floating interest rates. AHS has fixed interest rate loans for all debt thereby mitigating interest rate risk from rate fluctuations over the term of the outstanding debt. The fair value of fixed rate debt fluctuates with changes in market interest rates but the related future cash flows will not change.

A 1% change in market yield relating to fixed income securities would have increased or decreased fair value by approximately $41,733 (2013 - $34,661).

Portfolio investments include fixed income securities, such as bonds, and have an average effective yield of 2.20% (2013 - 1.79%) per year maturing between 2014 and 2053. The securities have the following average maturity structure:

	2014	2013
1 – 5 years	78%	81%
6 – 10 years	11%	17%
Over 10 years	11%	2%

Asset Class	< 1 year	1-5 years	> 5 years	Average Effective Market Yield
Interest bearing securities	1.55%	1.87%	3.48%	2.20%

(d) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fair value of investments denominated in foreign currencies is translated into Canadian dollars using the reporting date exchange rate. AHS is exposed to foreign exchange fluctuations on its cash and investments balances denominated in foreign currencies. During the year these fluctuations were not significant. Foreign currency risk is managed by the fact that the investment policies limit non-Canadian equities to a maximum of 10% to 45% of the total investment portfolio, depending on the policy. At March 31, 2014, investments in non-Canadian equities represented 5.40% (March 31, 2013 – 1.58%) of total portfolio investments.

Note 10 **Financial Instruments (continued)**

(e) Credit Risk

Credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations. The credit quality of financial assets is generally assessed by reference to external credit ratings. Credit risk can also lead to losses when issuers and debtors are downgraded by credit rating agencies. All of the investment policies restrict the types and proportions of eligible investments, thus mitigating AHS' exposure to credit risk.

Accounts receivable primarily consists of amounts receivable from AH, other Alberta government reporting entities, patients, other provinces and territories, Workers' Compensation Board, and federal government. AHS periodically reviews the collectability of its accounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts.

Under the AHS Investment Bylaw, money market securities are limited to a rating of R1 or equivalent or higher and no more than 10% may be invested in any one issuer. Investments in corporate bonds are limited to BBB or equivalent rated bonds or higher and no more than 40% of the total fixed income securities. Investments in debt and equity of any one issuer are limited to 5% of the issuer's total debt and equity. Short selling is not permitted.

The ACF Investment Policy limits the overall rating of all fixed income instruments to at least an A rating, and no more than 10% of publically traded equities may be invested in any one issuer.

The LPIP Investment Policy limits money market securities to a rating of R1 or equivalent or higher and no more than 10% may be invested in any one issuer unless guaranteed by the Government of Canada or a Canadian province. Investments in corporate bonds are limited to BBB or equivalent rated bonds or higher. Investments in debt and equity of any one issuer are limited to 10% of total equities.

The CHT Statement of Investment Policies and Goals limits the overall rating of fixed income securities to BBB or equivalent or higher and no more than 10% of fixed income securities or equities may be invested in any one issuer.

The following table summarizes AHS' investment in debt securities by counterparty credit rating at March 31, 2014.

Credit Rating	2014	2013
Investment Grade (AAA to BBB-)	94%	94%
Speculative Grade (BB+ or lower)	-%	-%
Unrated	6%	6%
	100%	100%

(f) Liquidity Risk

Liquidity risk is the risk that AHS will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. Liquidity requirements of AHS are met through funding in advance by AH, income generated from investments, and by investing in liquid assets, such as money market investments, equities, and bonds, traded in an active market that are easily sold and converted to cash.

Note 11 Cash and Cash Equivalents

	2014	2013
Cash	$ 186,373	$ 165,602
Money market securities less than 90 days	419,697	519,002
Total cash and cash equivalents	$ 606,070	$ 684,604

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Cash and cash equivalents include money market securities which are comprised of Government of Canada treasury bills maturing June 2014 and bearing interest at an average yield of 0.97% at March 31, 2014 (March 31, 2013 – 0.95%).

Note 12 Portfolio Investments

	2014		2013	
	Fair Value	Cost	Fair Value	Cost
Money market securities greater than 90 days	$ 27,898	$ 27,898	$ 63,192	$ 63,192
Fixed income securities	1,290,533	1,280,753	1,138,744	1,128,522
Equities	410,422	350,735	213,287	188,127
Total portfolio investments	$ 1,728,853	$ 1,659,386	$ 1,415,223	$ 1,379,841

As AHS is made up of multiple entities as described in Note 2(a), portfolio investments are governed independently under multiple investment policies and procedures. The fair value of portfolio investments governed under each investment policy is as follows:

	2014	2013
AHS Investment Bylaw	$ 1,411,162	$ 1,138,667
ACF Investment Policy	126,554	109,002
LPIP Investment Policy	112,432	96,413
CHT Statement of Investment Policies and Goals	78,705	71,141
	$ 1,728,853	$ 1,415,223

Portfolio investments are measured at fair value with the differences between cost and fair value being recorded as a remeasurement gain or loss. The following are the net remeasurement gains on portfolio investments:

	2014	2013
Unrestricted unrealized net gains recorded in the Consolidated Statement of Accumulated Remeasurement Gains and Losses	$ 24,846	$ 10,221
Restricted unrealized net gains attributable to endowments and recorded in unexpended deferred operating revenue (Note 17(a) and (d))	10,495	9,105
Restricted unrealized net gains attributable to and recorded in:		
Unexpended deferred operating revenue (Note 17(a) and (d))	25,234	7,741
Unexpended deferred capital revenue (Note 17(b) and (e))	6,236	4,161
Accounts payable and accrued liabilities (Note 15)	2,656	4,154
	$ 69,467	$ 35,382

Note 12 Portfolio Investments (continued)

Fair Value Hierarchy

	2014		
	Level 1	Level 2	Total
Equities traded in active market	$ 365,879	$ -	$ 365,879
Others designated to fair value category	$ -	$ 1,362,974	$ 1,362,974
March 31, 2014 total amount	$ 365,879	$ 1,362,974	$ 1,728,853
Percent of total	21%	79%	100%

	2013		
	Level 1	Level 2	Total
Equities traded in active market	$ 208,058	$ -	$ 208,058
Others designated to fair value category	$ -	$ 1,207,165	$ 1,207,165
March 31, 2013 total amount	$ 208,058	$ 1,207,165	$ 1,415,223
Percent of total	15%	85%	100%

Note 13 Accounts Receivable

	2014			2013
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Patient accounts receivable	$ 112,839	$ 23,661	$ 89,178	$ 86,548
AH operating grants receivable	105,668	-	105,668	99,109
AH capital grants receivable	-	-	-	2,650
Other operating grants receivable	42,337	-	42,337	19,183
Other capital grants receivable	79,357	-	79,357	97,956
Other accounts receivable	63,681	976	62,705	57,975
	$ 403,882	$ 24,637	$ 379,245	$ 363,421

Accounts receivable are unsecured and non-interest bearing. At March 31, 2013, the total allowance for doubtful accounts was $32,584.

Note 14 Tangible Capital Assets

Historical cost	2013	Additions[a]	Transfers for work-in-progress	Disposals and write-downs[b]	2014
Facilities and improvements	$ 7,937,594	$ -	$ 192,700	$ -	$ 8,130,294
Work in progress	687,757	420,682	(383,260)	-	725,179
Equipment	2,113,416	112,285	368	(99,441)	2,126,628
Information systems	1,060,820	17,348	163,170	(27,892)	1,213,446
Building service equipment	425,940	-	20,982	(12)	446,910
Land	109,444	1,224	-	(599)	110,069
Leased facilities and improvements	166,233	-	5,963	-	172,196
Land improvements	67,640	-	77	-	67,717
	$ 12,568,844	$ 551,539	$ -	$ (127,944)	$ 12,992,439

Accumulated amortization	2013	Amortization expense	Effect of transfers	Effect of disposals and write-downs[b]	2014
Facilities and improvements	$ 2,497,372	$ 220,620	$ -	$ -	$ 2,717,992
Work in progress	-	-	-	-	-
Equipment	1,390,108	157,055	-	(98,814)	1,448,349
Information systems	761,878	142,734	-	(25,270)	879,342
Building service equipment	241,222	25,874	-	(12)	267,084
Land	-	-	-	-	-
Leased facilities and improvements	109,603	12,018	-	-	121,621
Land improvements	52,779	2,777	-	-	55,556
	$ 5,052,962	$ 561,078	$ -	$ (124,096)	$ 5,489,944

	Net Book Value	
	2014	2013
Facilities and improvements	$ 5,412,302	$ 5,440,222
Work in progress	725,179	687,757
Equipment	678,279	723,308
Information systems	334,104	298,942
Building service equipment	179,826	184,718
Land	110,069	109,444
Leased facilities and improvements	50,575	56,630
Land improvements	12,161	14,861
	$ 7,502,495	$ 7,515,882

Note 14 Tangible Capital Assets (continued)

(a) Transferred Tangible Capital Assets

Additions include non-cash work in progress totalling $270,698 (2013 - $293,041) and land totalling $1,224 (2013- $nil).

(b) Disposals and Write-Downs

Disposals and write-downs include disposals of $107,839 and a write-down of information systems at a cost of $20,105 (2013 - disposals of $65,932 and write-downs of $nil) with an effect to accumulated amortization for disposals of $106,614 and write-downs of $17,482 (2013 - disposals of $60,658 and write-downs of $nil).

(c) Leased Land

Land at the following sites has been leased to AHS at nominal values:

Site	Leased from	Lease expiry
Cross Cancer Institute Parkade	University of Alberta	2019
Evansburg Community Health Centre	Yellowhead County	2031
Two Hills Helipad	Stella Stefiuk	2041
Northeast Community Health Centre	City of Edmonton	2046
Foothills Medical Centre Parkade	University of Calgary	2054
McConnell Place North	City of Edmonton	2056
Alberta Children's Hospital	University of Calgary	2101

(d) Leased Equipment

Equipment includes assets acquired through capital leases at a cost of $17,499 (2013 - $24,728) with accumulated amortization of $12,058 (2013 - $12,000). Equipment additions for the year ended March 31, 2014 include a net decrease of $6,398 related to vehicle capital leases (2013 – net increase of $13,489).

(e) Capitalized Interest

Total capitalized interest for the year ended March 31, 2014 was $nil (2013 - $3,489).

Note 15 Accounts Payable and Accrued Liabilities

	2014	2013
Payroll remittances payable and accrued liabilities	$ 597,282	$ 553,181
Trade accounts payable and accrued liabilities[a]	439,867	456,154
Provision for unpaid claims[b]	115,968	102,774
Other liabilities	39,243	41,661
	1,192,360	1,153,770
Unrealized net gains on portfolio investments related to accounts payable and accrued liabilities (Note 12)	2,656	4,154
	$ 1,195,016	$ 1,157,924

(a) Trade Accounts Payable and Accrued Liabilities

Trade accounts payable and accrued liabilities includes payables related to the purchase of tangible capital assets of $45,153 (2013 - $156,793).

(b) Provision for Unpaid Claims

Provision for unpaid claims represents the losses from identified claims likely to be paid and provisions for liabilities incurred but not yet reported.

Note 15 Accounts Payable and Accrued Liabilities (continued)

Under accepted actuarial practice, the appropriate value of the claims liabilities is the discounted value of such liabilities plus the provision for adverse deviation. The provision for unpaid claims has been estimated using the discounted value of claim liabilities based on the expected market yield of the respective portfolio using a discount rate of 2.50% (2013 - 2.40%).

Note 16 Employee Future Benefits

	2014	2013
Accrued vacation pay	$ 458,513	$ 433,811
Accumulating non-vesting sick leave liability[a]	96,019	91,016
Registered defined benefit pension plans[b] [c]	-	-
	$ 554,532	$ 524,827

(a) Accumulating non-vesting sick leave liability

Sick leave benefits are paid by AHS; there are no employee contributions and no plan assets. The following table summarizes the accumulating non-vesting sick leave liability.

	2014	2013
Change in accrued benefit obligation and funded status		
Accrued benefit obligation and funded status, beginning of year	$ 99,465	$ 96,558
Current service cost	8,408	8,247
Interest cost	3,430	3,231
Plan amendments	287	-
Benefits paid	(7,898)	(7,680)
Actuarial gain	(6,560)	(891)
Accrued benefit obligation and funded status, end of year	$ 97,132	$ 99,465
Reconciliation to accrued benefit liability		
Funded status - deficit	$ 97,132	$ 99,465
Unamortized net actuarial loss	(1,113)	(8,449)
Accrued benefit liability	$ 96,019	$ 91,016
Components of expense		
Current service cost	$ 8,408	$ 8,247
Interest cost	3,430	3,231
Amortization of net actuarial loss	776	849
Recognition of past service costs	287	-
Net expense	$ 12,901	$ 12,327
Assumptions		
Discount rate – beginning of period	3.30%	3.20%
Discount rate – end of period	3.80%	3.30%
Rate of compensation increase per year	2013-2014	2012-2013
	3.25%	3.25%
	2014-2015	2013-2014
	0.25%	3.25%
	Thereafter 3.25%	Thereafter 3.25%

Note 16 **Employee Future Benefits (continued)**

(b) Local Authorities Pension Plan (LAPP)

(i) AHS Participation in the LAPP

The majority of AHS employees participate in the LAPP. AHS is not responsible for future funding of the plan deficit other than through contribution increases. As AHS is exposed to the risk of contribution rate increases, the following disclosure is provided to explain this risk.

The LAPP provides for a pension of 1.4% for each year of pensionable service based on the average salary of the highest five consecutive years up to the average Canada Pension Plan's Year's Maximum Pensionable Earnings (YMPE) over the same five consecutive year period and 2.0% on the excess, subject to the maximum pension benefit limit allowed under the *Income Tax Act* (Canada). The maximum pensionable service allowable under the plan is 35 years.

The contribution rates were reviewed by the LAPP Board of Trustees in 2013 and are to be reviewed at least once every three years based on a report prepared by LAPP's actuary. AHS and its employees made the following contributions:

Calendar 2013		Calendar 2012	
Employer	Employees	Employer	Employees
$483,270	$442,720	$435,992	$398,564
10.43% of pensionable earnings up to the YMPE and 14.47% of the excess	9.43% of pensionable earnings up to the YMPE and 13.47% of the excess	9.91% of pensionable earnings up to the YMPE and 13.74% of the excess	8.91% of pensionable earnings up to the YMPE and 12.74% of the excess

AHS contributed $483,270 (2012 - $435,992) of the LAPP's total employer contributions of $1,076,067 from January 1, 2013 to December 31, 2013 (December 31, 2012 - $1,012,225).

(ii) LAPP Deficit

An actuarial valuation of the LAPP was carried out as at December 31, 2012 by Mercer (Canada) Limited and results were then extrapolated to December 31, 2013. LAPP's net assets available for benefits divided by LAPP's pension obligation shows that the LAPP is 85% (2012 - 82%) funded.

	December 31, 2013	December 31, 2012
LAPP net assets available for benefits	$ 26,550,184	$ 22,862,497
LAPP pension obligation	31,411,700	27,839,800
LAPP deficiency	$ (4,861,516)	$ (4,977,303)

The 2014 and 2015 LAPP contribution rates are as follows:

Calendar 2015 (estimated)[i]		Calendar 2014	
Employer	Employees	Employer	Employees
11.39% of pensionable earnings up to the YMPE and 15.84% of the excess	10.39% of pensionable earnings up to the YMPE and 14.84% of the excess	11.39% of pensionable earnings up to the YMPE and 15.84% of the excess	10.39% of pensionable earnings up to the YMPE and 14.84% of the excess

(i) The 2015 LAPP contribution rates are estimates and subject to change.

Note 16 **Employee Future Benefits (continued)**

(c) Management Employees Pension Plan (MEPP)

At December 31, 2013 the MEPP reported a surplus of $50,457 (2012 - deficiency of $303,423).

(d) Supplemental Executive Retirement Plans (SERPs)

As at March 31, 2014 an accrued benefit liability of $1,242 is included in accounts payable and accrued liabilities (2013 - $1,635).

AHS sponsors SERPs which are funded and has three RCAs for these plans. Under the terms of the SERPs, participants will receive retirement benefits that supplement the benefits under AHS' registered plans that are limited by the *Income Tax Act* (Canada). As required under the plans' terms, any unfunded obligations identified in the actuarial valuation completed at the end of each fiscal year must be fully funded within 61 days. Based on the most recent actuarial valuation for the purpose of establishing the minimum funding contribution, the SERPs are fully funded as at March 31, 2014.

	2014	2013
Change in accrued benefit obligation		
Accrued benefit obligation, beginning of year	$ 44,709	$ 35,185
Change in actuarial assumption for discount rate	-	9,632
Current service cost	133	492
Interest cost	1,201	1,219
Benefit payments	(3,926)	(2,333)
Actuarial losses	1,313	514
Accrued benefit obligation, end of year	$ 43,430	$ 44,709
Change in plan assets		
Market value of plan assets, beginning of year	$ 43,582	$ 43,704
Actual return on plan assets	1,571	2,196
Actual employer contributions	53	15
Benefit payments	(3,926)	(2,333)
Fair value of plan assets, end of year	$ 41,280	$ 43,582
Reconciliation of funded status to accrued benefit asset (liability)		
Funded status of the plan	$ (2,150)	$ (1,127)
Unrecognized net actuarial losses (gains)	908	(508)
Accrued benefit liability, end of year	$ (1,242)	$ (1,635)

A portion of SERP is secured by a letter of credit held by the trustee and a refundable tax balance held by the federal government. The required amount of the letter of credit during the year was $2,973 (2013 - $2,896) and is expected to increase.

Note 16 Employee Future Benefits (continued)

Net actuarial gains or losses are amortized over a period of one year.

	2014	2013
Determination of net benefit cost		
Current period benefit cost	$ 133	$ 492
Amortization of actuarial gains	(508)	-
Interest cost on the accrued benefit obligation	1,201	1,219
Expected return on plan assets	(1,166)	(1,174)
Net benefit cost	$ (340)	$ 537
Change in actuarial assumption for discount rate	$ -	$ 9,632
Members		
Active	35	44
Retired and terminated	59	54
Total members	94	98
Assumptions		
Weighted average discount rate to determine year end obligations	2.80%	2.75%
Weighted average discount rate to determine net benefit costs	2.75%	2.75%
Expected return on assets	2.75%	2.75%
Expected average remaining service life time	1	1
Rate of compensation increase per year	2013-2014	2012-2013
	0.00%	0.00%
	Thereafter	Thereafter
	0.00%	0.00%

(e) Pension expense

	2014	2013
Local Authorities Pension Plan (LAPP)	$ 498,110	$ 452,993
Defined contribution pension plans and group RRSPs	44,930	42,208
Supplemental Pension Plan (SPP)	1,866	2,127
Management Employees Pension Plan (MEPP)	631	722
Change in actuarial assumptions for SERPs	-	9,632
Supplemental Executive Retirement Plans (SERPs)	(340)	537
	$ 545,197	$ 508,219

Note 17 Deferred Revenue

	2014	2013
Unexpended deferred operating revenue[a][d]	$ 499,231	$ 483,953
Unexpended deferred capital revenue[b][e]	229,855	240,358
Expended deferred capital revenue[c]	6,276,469	6,235,264
	$ 7,005,555	$ 6,959,575

(a) Unexpended deferred operating revenue represents unspent resources with stipulations or external restrictions related to operating expenditures. Changes in the unexpended deferred operating revenue balance are as follows:

	2014				2013
	AH	Other government[f]	Donors and non-government	Total	Total
Balance, beginning of year	$ 222,223	$ 26,470	$ 235,260	$ 483,953	$ 547,174
Received or receivable during the year	1,230,771	67,449	127,871	1,426,091	1,175,660
Restricted investment income	346	1,939	3,988	6,273	9,193
Transferred from unexpended deferred capital revenue	13,772	28,380	2,672	44,824	52,955
Recognized as revenue from funder	(1,257,279)	(83,982)	(111,746)	(1,453,007)	(1,292,804)
Recognized as revenue from other sources	(314)	-	(27,472)	(27,786)	(25,071)
	209,519	40,256	230,573	480,348	467,107
Changes in unrealized net gain attributable to endowments and recorded in unexpended deferred operating revenue (Note 12)	-	-	1,390	1,390	9,105
Changes in unrealized net gain on portfolio investments related to unexpended deferred operating revenue (Note 12)	1,412	848	15,233	17,493	7,741
Balance, end of year	$ 210,931	$ 41,104	$ 247,196	$ 499,231	$ 483,953

[f] The balance at March 31, 2014 for other government includes $1,213 of unexpended deferred operating revenue received from the federal government (March 31, 2013 - $1,264).

Note 17 Deferred Revenue (continued)

(b) Unexpended deferred capital revenue represents unspent resources with stipulations or external restrictions related to the purchase of tangible capital assets. Changes in the unexpended deferred capital revenue balance are as follows:

	2014				2013
	AH	Other government	Donors and non-government	Total	Total
Balance, beginning of year	$ 149,120	$ 17,044	$ 74,194	$ 240,358	$ 383,171
Received or receivable during the year	43,986	89,665	51,229	184,880	255,836
Transferred tangible capital assets (Note 14(a))	-	270,569	129	270,698	293,041
Restricted investment income	147	-	-	147	1,264
Unexpended deferred capital revenue returned	(2,772)	-	(5,185)	(7,957)	(8,288)
Transfer to expended deferred capital revenue	(59,468)	(309,107)	(45,723)	(414,298)	(635,857)
Transferred to unexpended deferred operating revenue	(13,772)	(28,380)	(2,672)	(44,824)	(52,955)
Used for the acquisition of land	-	(1,224)	-	(1,224)	(15)
	117,241	38,567	71,972	227,780	236,197
Changes in unrealized net gain on portfolio investments related to unexpended deferred capital revenue (Note 12)	603	401	1,071	2,075	4,161
Balance, end of year	$ 117,844	$ 38,968	$ 73,043	$ 229,855	$ 240,358

(c) Expended deferred capital revenue represent external resources spent in the acquisition of tangible capital assets, stipulated for use in the provision of services over their useful lives. Revenue is recognized over the useful life of the assets. Changes in the expended deferred capital revenue balance are as follows:

	2014				2013
	AH	Other government	Donors and non-government	Total	Total
Balance, beginning of year	$ 435,362	$ 5,622,020	$ 177,882	$ 6,235,264	$ 5,974,714
Transferred from unexpended deferred capital revenue	59,468	309,107	45,723	414,298	635,857
Used for the acquisition of land	-	1,224	-	1,224	15
Less amounts recognized as revenue	(87,173)	(254,331)	(32,813)	(374,317)	(375,322)
Balance, end of year	$ 407,657	$ 5,678,020	$ 190,792	$ 6,276,469	$ 6,235,264

Note 17 Deferred Revenue (continued)

(d) The unexpended deferred operating revenue balance at the end of the year is stipulated (externally restricted) for the following purposes:

	2014				2013
	AH	Other government	Donors and non-government	Total	Total
Research and education	$ 640	$ 4,027	$ 122,744	$ 127,411	$ 116,566
Cancer prevention, screening and treatment	38,138	72	49,072	87,282	86,184
Primary Care Networks	64,101	-	78	64,179	56,923
Physician revenue and alternate relationship plans	32,801	1,524	11	34,336	37,948
Promotion, prevention and community	22,515	7,071	3,484	33,070	18,180
Addiction and mental health	22,176	2,377	5	24,558	48,994
Inpatient acute nursing services	638	7,306	4,443	12,387	7,857
Administration and support services	3,430	3,739	4,558	11,727	13,126
Continuing care and seniors health	9,179	667	1,802	11,648	11,083
Long term care partnerships	-	10,800	-	10,800	8,772
Emergency and outpatient services	5,135	359	4,514	10,008	13,041
Others less than $10,000	6,529	1,878	27,689	36,096	48,433
	205,282	39,820	218,400	463,502	467,107
Unrealized net gain attributable to endowments and recorded in unexpended deferred operating revenue (Note 12)	-	-	10,495	10,495	9,105
Unrealized net gain on portfolio investments related to unexpended deferred operating revenue (Note 12)	5,649	1,284	18,301	25,234	7,741
	$ 210,931	$ 41,104	$ 247,196	$ 499,231	$ 483,953

Note 17 Deferred Revenue (continued)

(e) The unexpended deferred capital revenue balance at the end of the year is stipulated or externally restricted for the following purposes:

	2014	2013
AH		
Information systems:		
Diagnostic Imaging Upgrade Project	$ 10,040	$ 11,339
Access to Health Service Information Management/ Information Technology	9,808	17,767
Provincial Health Information Exchange	7,910	10,469
Regional Shared Health Information Program	6,297	18,616
Information systems less than $10,000	46,182	65,961
	80,237	124,152
Medical Equipment Replacement Upgrade Program	22,650	10,305
Equipment less than $10,000	11,061	11,370
Total AH	113,948	145,827
Other government		
Facilities and improvements:		
Infrastructure maintenance projects	25,197	8,383
Facilities and improvements less than $10,000	12,654	7,945
Total other government	37,851	16,328
Donors and non-government		
Equipment less than $10,000	59,159	64,847
Facilities and improvements less than $10,000	12,661	9,195
Total donors and non-government	71,820	74,042
	223,619	236,197
Unrealized net gain on portfolio investments related to unexpended deferred capital revenue (Note 12)	6,236	4,161
	$ 229,855	$ 240,358

Note 18 Debt

	2014	2013
Debentures payable[a]:		
Parkade loan #1	$ 39,925	$ 42,276
Parkade loan #2	36,681	38,637
Parkade loan #3	45,790	47,815
Parkade loan #4	166,778	172,674
Parkade loan #5	40,207	41,617
Calgary Laboratory Services purchase	-	3,472
Obligation under leased tangible capital assets[b]	19,002	26,675
Other	1,985	2,218
	$ 350,368	$ 375,384

(a) AHS issued debentures to Alberta Capital Financing Authority (ACFA), a related party, to finance the construction of parkades and the purchase of the remaining 50.01% ownership interest in CLS. AHS has pledged revenue derived directly or indirectly from the operations of all parking facilities being built, renovated, owned, and operated by AHS as security for these debentures.

The maturity dates and interest rates for the debentures are as follows:

	Maturity Date	Fixed Interest Rate
Parkade loan #1	September 2026	4.4025%
Parkade loan #2	September 2027	4.3870%
Parkade loan #3	March 2029	4.9150%
Parkade loan #4	September 2031	4.9250%
Parkade loan #5	June 2032	4.2280%
Calgary Laboratory Services purchase	May 2013	4.6810%

(b) The leased tangible capital assets include a site lease with the University of Calgary and vehicle leases.

The University of Calgary lease expires January 2028. The implicit interest rate payable on this lease is 6.50%. There are no renewal options, purchase options or escalation clauses related to this leased tangible capital asset.

AHS is contractually committed to future capital lease payments for vehicles until 2018. The implicit interest rate payable on these leases is 2.08%.

(c) As at March 31, 2014 AHS holds a $220,000 (2013 - $220,000) revolving demand facility with a Canadian chartered bank which may be used for operating purposes. Draws on the facility bear interest at the bank's prime rate less 0.50% per annum. As at March 31, 2014, AHS has $nil (2013 - $nil) draws against this facility.

AHS also holds a $33,000 (2013 - $33,000) revolving demand letter of credit facility which may be used to secure AHS' obligations to third parties relating to construction projects. At March 31, 2014, AHS has $3,310 (March 31, 2013 - $4,585) in letters of credit outstanding against this facility.

Note 18 Debt (continued)

AHS is committed to making payments as follows:

Year ended March 31	Debentures Payable, Term/Other Loan and Mortgages Payable Principal payments	Leased Tangible Capital Assets Minimum lease payments
2015	$ 14,533	$ 5,041
2016	15,221	2,886
2017	15,943	1,843
2018	16,698	1,473
2019	17,490	1,525
Thereafter	251,481	13,855
	$ 331,366	26,623
Less: interest		(7,621)
		$ 19,002

During the year, the amount of interest expensed was $16,984 (2013 - $14,480), of which loan interest was $16,054 (2013 - $13,047) and other interest charges were $930 (2013 - $1,433).

Note 19 Accumulated Surplus

Accumulated surplus is comprised of the following:

	Unrestricted net assets [a]	Reserves for future purposes [b]	Net assets invested in tangible capital assets [c]	Accumulated surplus
Balance as at March 31, 2013	$ 82,823	$ 78,727	$ 916,564	$ 1,078,114
Operating surplus	155,691	-	-	155,691
Tangible capital assets purchased with internal funds	(137,260)	-	137,260	-
Amortization of internally funded tangible capital assets	190,609	-	(190,609)	-
Repayment of debt used to fund tangible capital assets	(15,903)	-	15,903	-
Net receipt of life lease deposits	101		(101)	-
Transfer of revenue for acquisition of land	(1,224)	-	1,224	-
Transfer of reserves for future purposes	(8,542)	8,542	-	-
Balance as at March 31, 2014	$ 266,295	$ 87,269	$ 880,241	$ 1,233,805

(a) Unrestricted Net Assets

Unrestricted net assets represents the portion of accumulated surplus that has not already been invested in tangible capital assets or reserved for future purposes.

Note 19 Accumulated Surplus (continued)

(b) Reserves for Future Purposes

The Official Administrator has approved the restriction of net assets for future purposes as follows:

	2014	2013
Parkade infrastructure reserve [(i)]	$ 50,325	$ 32,745
Cancer research reserve [(ii)]	15,596	17,289
Specific local initiatives reserve [(iii)]	14,142	11,919
South Health Campus [(iv)]	6,637	16,444
Retail food services infrastructure reserve[(v)]	569	330
Reserves for future purposes	$ 87,269	$ 78,727

(i) Restriction of parking services surpluses to establish a parking infrastructure reserve for future major maintenance, upgrades, and construction.
(ii) Restriction of operating net assets to fund cancer research.
(iii) Restriction of operating net assets for specific local initiatives as a result of local fundraising.
(iv) Restriction of operating net assets to assist with funding start up costs for South Health Campus in Calgary.
(v) Restriction of retail food services surplus to assist with future upgrades, maintenance, equipment, and construction costs for retail food service operations.

(c) Net Assets Invested in Tangible Capital Assets

Restriction of net assets equal to the net book value of internally funded tangible capital assets as these net assets are not available for any other purpose.

Note 20 Endowments

	2014	2013
Balance, beginning of year	$ 65,207	$ 63,740
Endowments received or receivable	3,589	1,467
Balance, end of year	$ 68,796	$ 65,207

Note 21 Contractual Obligations and Contingent Liabilities

Contractual obligations are AHS' obligations to others that will become liabilities in the future when the terms of current or existing contracts or agreements are met.

(a) Leases

AHS is contractually committed to future operating lease payments for premises as follows:

Year ended March 31	Total lease payments
2015	$ 52,178
2016	47,354
2017	42,606
2018	32,703
2019	21,427
Thereafter	75,499
	$ 271,767

Note 21 Contractual Obligations and Contingent Liabilities (continued)

(b) Tangible Capital Assets

AHS has the following outstanding contractual commitments for purchases of tangible capital assets:

		2014
Facilities and improvements	$	37,062
Equipment		61,149
Information systems		17,343
	$	115,554

AI also records contractual commitments for the purchase of tangible capital assets to AHS. The $115,554 of commitments do not include the commitments for AI for the construction of AHS facilities.

(c) Contracted Health Service Providers

AHS contracts on an ongoing basis with voluntary and private health service providers to provide health services in Alberta as disclosed in Note 9. AHS has contracted for services in the year ending March 31, 2015 similar to those provided by these providers in 2013-14.

(d) Contingent Liabilities

AHS is subject to legal claims during its normal course of business. AHS records a liability when the assessment of a claim indicates that a future event is likely to confirm that an asset had been impaired or a liability incurred at the date of the financial statements and the amount of the contingent loss can be reasonably estimated.

Accruals have been made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. As at March 31, 2014, accruals have been recorded as part of the provision for unpaid claims (Note 15). Included in this accrual are claims in which AHS has been jointly named with the Minister. The accrual provided for these claims under the provision for unpaid claims represents AHS' portion of the liability.

AHS has been named in 204 legal claims (2013 - 187 claims) related to conditions in existence at March 31, 2014 where the occurrence of a future event confirming a contingent loss is not reasonably determinable. Of these, 172 claims have $321,813 in specified amounts and 32 have no specified amounts (2013 - 172 claims with $317,929 of specified claims and 15 claims with no specified amounts). The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

Alberta Health Services has been named as a co-defendant, along with the GOA, in a certified Class Action with regard to increases to long-term accommodation charges, which were increased by Alberta Government regulations enacted on and after August 1, 2003. The amount of the Claim has not yet been specified, but it has been estimated to be between $100,000 and $175,000 per year, based on the amount of the increases in accommodation charges.

Note 22 Related Parties

Transactions with the following related parties are considered to be in the normal course of operations. Amounts due to or from the related parties and the recorded amounts of the transactions are included within these consolidated financial statements, unless otherwise stated.

The Minister controls AHS through the appointment of the Official Administrator and the former AHS Board by appointing all its members. The viability of AHS' operations depends on transfers from the Ministry. Transactions between AHS and AH are reported and disclosed in the Consolidated Statement of Operations, the Consolidated Statement of Financial Position, and the Notes to the Consolidated Financial Statements, and are therefore excluded from the table below.

AHS shares a common relationship and is considered to be a related party with those entities consolidated or included on a modified equity basis in the GOA consolidated financial statements. Transactions in the normal course of operations between AHS and the other ministries are recorded at their exchange amount as follows:

Note 22 Related Parties (continued)

	Revenue		Expenses	
	2014	2013	2014	2013
Ministry of Innovation and Advanced Education [i]	$ 49,686	$ 41,138	$ 114,067	$ 124,899
Ministry of Infrastructure [ii]	34,188	66,888	335	137
Other ministries	42,446	39,401	26,887	25,884
Total for the year	$ 126,320	$ 147,427	$ 141,289	$ 150,920

	Receivable from		Payable to	
	2014	2013	2014	2013
Ministry of Innovation and Advanced Education [i]	$ 9,756	$ 16,731	$ 19,196	$ 24,425
Ministry of Infrastructure [ii]	22,234	40,292	975	-
Other ministries [iii]	27,673	3,859	332,938	351,514
Balance, end of year	$ 59,663	$ 60,882	$ 353,109	$ 375,939

(i) Most of AHS transactions with the Ministry of Innovation and Advanced Education relate to initiatives with the University of Alberta and the University of Calgary. These initiatives include teaching, research, and program delivery. A number of physicians are employed by either AHS or the universities but perform services for both. Due to proximity of locations, some initiatives result in sharing physical space and support services. The revenue and expense transactions are a result of grants provided from one to the other and recoveries of shared costs.

(ii) The transactions with the Ministry of Infrastructure relate to the construction and funding of tangible capital assets (Note 14).

(iii) The payable transactions with other ministries include the debt payable to ACFA (Note 18(a)).

At March 31, 2014 AHS has recorded deferred revenue from other ministries within the GOA of $39,891 (March 31, 2013 - $24,320) related to unexpended deferred operating revenue, $38,968 (March 31, 2013 - $17,044) related to unexpended deferred capital revenue and $5,678,020 (March 31, 2013 - $5,622,020) related to expended deferred capital revenue.

Outstanding contingencies in which AHS has been jointly named with other government entities within the GOA are disclosed in Note 21.

Note 23 Government Partnerships

The following is 100% of the financial position and results of operations for AHS' government partnerships with PCNs, NACTRC and HUTV. AHS has proportionately consolidated 50% of the results of the PCNs and NACTRC, and 30% of HUTV.

	2014	2013
Total assets	$ 144,819	$ 129,071
Total liabilities	144,819	129,071
Net assets	$ -	$ -
Total revenue	$ 175,733	$ 161,036
Total expenses	175,733	161,036
Net operating surplus	$ -	$ -

Note 23 Government Partnerships (continued)

As required by AH, PCNs can only use accumulated surpluses based on approved surplus utilization; therefore, AHS' proportionate share of these surpluses has been recorded by AHS as deferred revenue, and are reflected as liabilities in the above table.

Note 24 Health Benefit Trust of Alberta (HBTA)

AHS is one of more than 30 participants in the HBTA and has a majority of representation on the HBTA governance board. The HBTA is a formal health and welfare trust established under a Trust Agreement effective January 1, 2000. The HBTA provides health and other related employee benefits pursuant to the authorizing Trust Agreement.

Under the terms of the Trust Agreement, no participating employer or eligible employee shall have any right to any surplus or assets of the Trust nor shall they be responsible for any deficits or liabilities of the Trust.

The HBTA maintains various reserves to adequately provide for all current obligations and reported fund balances of $102,201 as at December 31, 2013 ($79,394 as at December 31, 2012). AHS has included in prepaid expenses $74,351 (March 31, 2013 - $57,759) as a share of the HBTA's fund balances representing in substance a prepayment of future contributions. These consolidated financial statements do not include the HBTA other than the premiums paid by AHS. For the period January 1 to December 31, 2013 AHS paid premiums of $280,586 (2012 - $277,894).

Note 25 Trust Funds

AHS receives funds in trust for research and development, education, and other programs. These amounts are held and administered on behalf of others in accordance with the terms and conditions embodied in the relevant agreements with no unilateral power to change the conditions set out in the trust indenture (or agreement) and therefore are not reported in these consolidated financial statements. As at March 31, 2014, the balance of funds held in trust by AHS for research and development is $8,033 (2013 - $8,443).

AHS also receives funds in trust from continuing care residents for personal expenses. These amounts are not included above and not consolidated in these financial statements.

Note 26 Corresponding Amounts

Certain 2013 amounts have been reclassified to conform to 2014 presentation.

Note 27 Approval of Consolidated Financial Statements

Upon recommendation by the Audit and Finance Advisory Committee, the consolidated financial statements were approved by the Official Administrator on June 5, 2014.

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT
YEAR ENDED MARCH 31

	2014		2013
	Budget (Note 3)	Actual	Actual
Salaries and benefits (Schedule 2)	$ 7,101,000	$ 7,049,361	$ 6,752,659
Contracts with health service providers (Note 9)	2,314,000	2,258,042	2,166,269
Contracts under the Health Care Protection Act	18,000	18,918	16,852
Drugs and gases	412,000	427,462	388,013
Medical and surgical supplies	385,000	399,085	391,649
Other contracted services	1,212,000	1,089,891	1,099,199
Other [(a)]	1,353,000	1,260,774	1,220,403
Amortization, disposals and write-downs (Note 14)	560,000	564,926	533,168
	$ 13,355,000	$ 13,068,459	$ 12,568,212

(a) Significant amounts included in Other are:		
Equipment expense	$ 173,960	$ 152,472
Other clinical supplies	141,464	140,350
Utilities	125,454	109,362
Building rent	118,495	115,712
Building and ground expenses	88,991	116,530
Housekeeping, laundry and linen, plant maintenance and biomedical engineering supplies	88,951	82,497
Minor equipment purchases	78,997	75,864
Food and dietary supplies	70,679	68,080
Office supplies	58,894	52,804
Telecommunications	45,446	53,862
Fundraising and grants awarded	45,404	45,826
Travel	39,337	49,140
Insurance	34,323	23,788
Licenses, fees and membership	19,541	17,876
Education	12,558	13,903
Other	118,280	102,337
	$ 1,260,774	$ 1,220,403

SCHEDULE 2 - CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS
FOR THE YEAR ENDED MARCH 31, 2014

	2014								2013	
						Severance and Termination Benefits [e]				
	FTE [a]	Base Salary [b]	Other Cash Benefits [c]	Other Non-Cash Benefits [d]	Subtotal	Number of Individuals	Amount	Total	FTE [a]	Total
Total Official Administrator/Advisory Committees (Sub-Schedule 2A)	3.59	$ 464	$ 110	$ 15	$ 589	-	$ -	$ 589	-	$ -
Total Former Board (Sub-Schedule 2B)	2.92	-	126	-	126	-	-	126	13.95	593
Total Executive (Sub-Schedule 2C)	15.82	5,452	757	829	7,038	6	2,966	10,004	11.16	5,594
Management Reporting to CEO Reports	30.61	9,204	976	1,700	11,880	-	-	11,880	38.33	12,472
Other Management	3,140.50	375,429	2,039	78,901	456,369	44	5,550	461,919	3,283.83	460,913
Medical Doctors not included above [f]	120.71	38,248	217	1,571	40,036	-	-	40,036	123.61	38,694
Regulated nurses not included above:										
RNs, Reg. Psych. Nurses, Grad Nurses	18,050.68	1,587,096	235,041	343,847	2,165,984	9	54	2,166,038	18,044.91	2,151,085
LPNs	3,946.17	244,005	32,159	49,824	325,988	-	-	325,988	3,869.85	309,251
Other Health Technical & Professionals	14,846.13	1,267,681	72,962	289,652	1,630,295	24	455	1,630,750	14,316.90	1,507,039
Unregulated Health Service Providers	7,144.21	340,859	44,492	73,943	459,294	38	113	459,407	6,904.64	436,485
Other Staff	26,064.69	1,524,310	75,917	340,163	1,940,390	98	2,234	1,942,624	25,649.04	1,820,901
Change in actuarial assumption for discount rate for SERPs	-	-	-	-	-	-	-	-	-	9,632
Total	73,366.03	$ 5,392,748	$ 464,796	$ 1,180,445	$ 7,037,989	219	$ 11,372	$ 7,049,361	72,256.22	$ 6,752,659

The accompanying footnotes and sub-schedules are part of this schedule.

SUB-SCHEDULE 2A – OFFICIAL ADMINISTRATOR/ADVISORY COMMITTEES REMUNERATION FOR THE YEAR ENDED MARCH 31, 2014

	Term	2014 Committees	2014 Remuneration	2013 Remuneration
Official Administrator				
Dr. John Cowell	Since Sep 10, 2013	AFA, HRA, QAPSA	$ 372	$ -
Janet Davidson	Jun 12, 2013 to Sep 10, 2013	-	166	-
Advisory Committee Participants[9]				
Barbara Burton	Since Dec 11, 2013	HRA	2	-
Phyllis Clark	Oct 21, 2013 to Dec 4, 2013	AFA	1	-
Thomas Feasby	Since Jan 21, 2014	QAPSA	1	-
Martin Harvey	Since Dec 11, 2013	HRA	2	-
Gregory Henders	Since Dec 11, 2013	HRA	2	-
Brian Olson	Since Sep 24, 2013	AFA, HRA (Chair)	12	-
Don Sieben	Since Sep 25, 2013	AFA (Chair)	19	-
Doug Tupper	Since Nov 28, 2013	QAPSA (Chair)	11	-
Gord Winkel	Since Jan 21, 2014	QAPSA	1	-
Total Official Administrator/Advisory Committees			$ 589	$ -

Dr. John Cowell was appointed to the position of Official Administrator for a one year term effective September 10, 2013 (calculated FTE of 0.56) per Ministerial Order 316/2013. Remuneration is $580 per annum plus $87 per annum in lieu of benefits.

Janet Davidson was appointed to the position of Official Administrator effective June 12, 2013 as per Ministerial order 313/2013 until September 10, 2013 (calculated FTE of 0.25) at which time the incumbent left AHS. Remuneration was $580 per annum plus benefits.

Advisory committees were established by the Official Administrator to aid in governing AHS and overseeing the management of AHS' business and affairs. Advisory committee participants are eligible to receive honoraria for meetings attended. Advisory committee chairs are compensated an additional $30 per annum.

Committee legend: AFA = Audit and Finance Advisory, HRA = Human Resources Advisory, QAPSA = Quality Assurance and Patient Safety Advisory

SUB-SCHEDULE 2B – FORMER BOARD REMUNERATION FOR THE YEAR ENDED MARCH 31, 2014

	Term	2014 Committees	2014 Remuneration	2013 Remuneration
Former Board Chair				
Stephen Lockwood	Oct 13, 2010 to Jun 12, 2013	AF, GOV, HA, HR, QS, SIRK	$ 21	$ 75
Former Board Members				
Dr. Ray Block	Feb 18, 2011 to Sep 20, 2012	-	-	24
Teri Lynn Bougie	Nov 20, 2008 to Mar 31, 2013	-	-	53
Dr. Ruth Collins-Nakai	Feb 18, 2011 to Jun 12, 2013	GOV, HR, QS	11	56
Donald Cormack	Mar 5, 2013 to Jun 12, 2013	AF, SIRK, PASC	13	5
Dr. Kamalesh Gangopadhyay	Oct 13, 2010 to Mar 31, 2013	-	-	53
Don Johnson	Feb 18, 2011 to Jun 12, 2013	GOV, HA	13	55
John Lehners	May 15, 2008 to Jun 12, 2013	HA, HR, PASC	13	55
Frederick Ring	Mar 5, 2013 to Jun 12, 2013	HR, QS	12	5
Catherine Roozen[h]	Jul 29, 2008 to Jun 12, 2013	HR, QS, SIRK	-	35
Gary Sciur	Mar 5, 2013 to Jun 12, 2013	GOV, HA	13	4
Don Sieben	May 15, 2008 to Jun 12, 2013	AF, QS	13	55
Dr. Eldon Smith	Feb 18, 2011 to Jun 12, 2013	AF, SIRK	12	54
Sheila Weatherill[i]	Feb 18, 2011 to Aug 2, 2012	-	-	-
Gord Winkel	Nov 20, 2008 to Mar 31, 2013	-	-	56
Former Board Committee Participants[j,k]				
Dr. Thomas Feasby	Jan 27, 2011 to Jun 30, 2012	-	-	-
Dennis Hoffman	Feb 11, 2013 to Jun 12, 2013	AF	3	2
Dr. Jon Meddings	Jul 1, 2012 to Jun 12, 2013	QS	-	3
Dr. Douglas Miller	Jul 1, 2012 to Jun 12, 2013	QS	1	2
Elaine Noel-Bentley	Jun 15, 2012 to Jun 12, 2013	PASC	-	1
Dr. Verna Yiu[i]	Jun 21, 2011 to Jun 30, 2012	-	-	-
Gord Winkel	May 1, 2013 to Jun 12, 2013	QS	1	-
Total Former Board			$ 126	$ 593

Former Board members were remunerated with monthly honoraria and honoraria for attendance at Board and committee meetings and all other AHS Board business up to a maximum limit in accordance with Ministerial Order #50. Although M.O. #50 was repealed by M.O. #93, original rates from M.O. #50 were adopted again as of January 1, 2010. Effective November 1, 2012, the Minister of Health increased the rates for committee meeting attendance.

Committee legend: AF = Audit and Finance, GOV = Governance, HA = Health Advisory, HR = Human Resources, QS = Quality and Safety, SIRK = Strategy, Innovation, Research and Knowledge, PASC = Pension Advisory Sub-Committee

SUB-SCHEDULE 2C - EXECUTIVE SALARIES AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2014

For the Current Fiscal Year	2014						
	FTE [a]	Base Salary [b]	Other Cash Benefits [c]	Other Non-Cash Benefits [d]	Subtotal	Severance and Termination Benefits [e]	Total
Board/Official Administrator Direct Reports[l]							
Vickie Kaminski – President and Chief Executive Officer [p,nn]	-	$ -	$ -	$ -	$ -	$ -	$ -
Brenda Huband – Interim President and Chief Executive Officer, Zone and Health Operations [q,oo]	0.37	148	-	28	176	-	176
Rick Trimp – Interim President and Chief Executive Officer Population Heath and Province-Wide Services [r,oo]	0.37	148	-	29	177	-	177
Duncan Campbell – Acting President and Chief Executive Officer [m,s]	0.09	33	5	5	43		43
Dr. Chris Eagle – President and Chief Executive Officer [t]	0.54	316	8	31	355	-	355
Dr. Chris Eagle – Special Advisor [t]	0.46	264	6	26	296	-	296
Ronda White – Chief Audit Executive [u,pp]	1.00	233	16	42	291	-	291
Noela Inions – Chief Ethics and Compliance Officer [oo]	1.00	226	-	49	275	-	275
Kristin Long – Corporate Secretary [v,oo]	0.75	125	2	11	138	-	138
Patti Grier – Chief of Staff and Corporate Secretary [w,uu]	0.38	74	28	11	113	-	113
David Diamond – Chief External Relations Officer [x,oo]	0.50	161	-	19	180	-	180
CEO Direct Reports[k]							
Duncan Campbell – VP Corporate Services and Chief Financial Officer [m,s]	0.91	392	20	62	474	543	1,017
Deborah Rhodes – Acting VP Corporate Services and Chief Financial Officer [y,pp]	0.48	168	16	30	214	-	214
Brenda Huband – VP and Chief Health Operations Officer, Central and Southern Alberta [q,oo]	0.18	67	-	14	81	-	81
Dr. Francois Belanger – VP and Medical Director, Central and Southern Alberta [z,oo]	0.56	185	64	28	277	-	277
Deb Gordon – VP and Chief Health Operations Officer, Northern Alberta [aa,oo]	0.21	78	-	10	88	-	88
Deb Gordon – VP Collaborative Practice, Nursing and Health Professions [aa,oo]	0.79	276	-	36	312	-	312
Dr. Tom Noseworthy – Acting VP and Chief Health Operations Officer, Northern Alberta [bb]	0.35	105	60	-	165	-	165
Dr. David Mador – VP and Medical Director, Northern Alberta [cc,qq]	0.56	186	54	36	276	-	276

SUB-SCHEDULE 2C - EXECUTIVE SALARIES AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2014 (CONTINUED)

For the Current Fiscal Year	2014						
	FTE [a]	Base Salary [b]	Other Cash Benefits [c]	Other Non-Cash Benefits [d]	Subtotal	Severance and Termination Benefits [e]	Total
CEO Direct Reports (continued)							
Dr. Verna Yiu – VP, Quality and Chief Medical Officer [m,n,rr]	1.00	$ 495	$ 58	$ 32	$ 585	$ -	$ 585
Rick Trimp – VP, Province-Wide Clinical Supports, Programs and Services [r,oo]	0.18	67	16	14	97	-	97
Mauro Chies – Acting VP, Province-Wide Clinical Supports, Programs and Services [dd,oo]	0.56	129	25	24	178	-	178
Susan McGillivray – Acting VP, People [ee,oo]	0.43	107	14	13	134	-	134
Mark Haley – VP, People [ff]	0.11	76	-	-	76	-	76
Colleen Turner – Acting VP, Community Engagement and Communications [gg,ss]	0.56	131	13	23	167	-	167
Dr. Kathryn Todd – VP, Research, Innovation and Analytics [n,rr]	1.00	250	10	26	286	-	286
Chris Mazurkewich – Former Executive VP and Chief Operating Officer [m,hh,uu]	0.45	211	127	25	363	541	904
Dr. David Megran – Former Executive VP and Chief Medical Officer, Clinical Operations [m,o,ii,uu]	0.45	215	83	144	442	730	1,172
Stephen Gould – Former Executive VP, People and Partners [m,jj,uu]	0.48	198	66	24	288	337	625
Bill Trafford – Acting VP and Chief Transition Officer [m,kk,uu]	0.65	222	44	27	293	391	684
Barbara Pitts – Former Senior VP, Priorities and Performance [ll]	0.45	166	22	10	198	424	622
Total Executive	15.82	$ 5,452	$ 757	$ 829	$ 7,038	$ 2,966	$ 10,004

SUB-SCHEDULE 2C - EXECUTIVE SALARIES AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2014 (CONTINUED)

For the Prior Fiscal Year	2013							
	FTE [a]	Base Salary [b]	Pay-at-Risk Component [c]	Other Cash Benefits [c]	Other Non-Cash Benefits [d]	Subtotal	Severance and Termination Benefits [e]	Total
Board Direct Reports								
Dr. Chris Eagle - President and Chief Executive Officer	1.00	$ 580	$ 108	$ 41	$ 65	$ 794	$ -	$ 794
Ronda White - Chief Audit Executive	1.00	206	29	-	41	276	-	276
Noela Inions - Ethics and Compliance Officer	1.00	225	-	-	60	285	-	285
Patti Grier – Chief of Staff and Corporate Secretary	1.00	192	29	-	33	254	-	254
CEO Direct Reports								
Chris Mazurkewich - Executive VP and Chief Operating Officer	1.00	468	93	22	64	647	-	647
Duncan Campbell - Executive VP and Chief Financial Officer	-	-	-	-	-	-	-	-
Allaudin Merali – Executive VP and Chief Financial Officer [mm,tt]	0.24	96	-	10	9	115	-	115
Deborah Rhodes - Acting Chief Financial Officer	0.70	223	34	24	38	319	-	319
Dr. David Megran - Executive VP and Chief Medical Officer, Clinical Operations	1.00	485	98	46	176	805	-	805
Dr. Verna Yiu - Executive VP and Chief Medical Officer, Quality and Medical Affairs	0.63	316	52	36	22	426	-	426
Bill Trafford - Executive VP and Chief Development Officer	1.00	339	55	22	56	472	-	472
Stephen Gould - Executive VP, People and Partners	1.00	411	69	32	68	580	-	580
Dr. Kathryn Todd – Senior VP, Research	0.92	229	35	9	24	297	-	297
Barbara Pitts – Senior VP, Priorities and Performance	0.42	156	23	-	35	214	-	214
Deb Gordon – Senior VP, Health Professions Strategy and Practice and Chief Nursing and Health Professions Officer	0.25	83	12	-	15	110	-	110
Total Executive	11.16	$ 4,009	$ 637	$ 242	$ 706	$ 5,594	$ -	$ 5,594

SUB-SCHEDULE 2D - EXECUTIVE SUPPLEMENTAL PENSION PLAN AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Certain employees will receive retirement benefits that supplement the benefits limited under the registered plans for service post 1991. The Supplemental Pension Plan (SPP) is a defined contribution plan and the Supplemental Executive Pension Plan (SERP) is a defined benefit plan. The SERP is disclosed in Notes 2(g)(iii) and 16(d). The amounts in this table represent the total SPP and SERP benefits earned by the individual during the fiscal year. The current period benefit costs for SPP and the current period benefit costs and other costs for SERP included in other non-cash benefits disclosed in Sub-Schedule 2C are prorated for the period of time the individual was in their position directly reporting to the Board/Official Administrator and directly reporting to the President and Chief Executive Officer.

	2014				2013			
	SPP	SERP						
	Current period benefit costs[1]	Current period benefit costs[2]	Other Costs[3]	Total	Total	Account Balance or Accrued Benefit Obligation March 31, 2013	Change During the Year[4]	Account Balance or Accrued Benefit Obligation March 31, 2014
Vickie Kaminski – President and Chief Executive Officer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Brenda Huband - Interim President and Chief Executive Officer, Zone and Health Operations/VP and Chief Health Operations Officer, Central and Southern Alberta - SERP	-	-	(1)	(1)	5	383	13	396
Brenda Huband - Interim President and Chief Executive Officer, Zone and Health Operations/VP and Chief Health Operations Officer, Central and Southern Alberta - SPP	23	-	-	23	15	15	24	39
Rick Trimp - Interim President and Chief Executive Officer, Population Heath and Province-Wide Services/VP, Province-Wide Clinical Supports, Programs and Services	23	-	-	23	4	4	23	27
Duncan Campbell - VP Corporate Services and Chief Financial Officer/Acting President and Chief Executive Officer	-	-	-	-	-	-	-	-
Dr. Chris Eagle - Special Advisor/President and Chief Executive Officer - SERP	-	-	(5)	(5)	(2)	1,700	68	1,768
Dr. Chris Eagle - Special Advisor/President and Chief Executive Officer - SPP	45	-	-	45	43	90	56	146
Ronda White - Chief Audit Executive	9	-	-	9	6	17	10	27
Noela Inions - Chief Ethics and Compliance Officer	8	-	-	8	8	30	12	42
Kristin Long - Corporate Secretary	2	-	-	2		-	2	2
Patti Grier - Chief of Staff and Corporate Secretary	2	-	-	2	4	10	(10)	-
David Diamond - Chief External Relations Officer - SERP	-	-	(5)	(5)	3	207	19	226
David Diamond - Chief External Relations Officer - SPP	18	-	-	18	14	14	19	33
Deborah Rhodes - Acting VP Corporate Services and Chief Financial Officer	21	-	-	21	17	50	27	77
Dr. Francois Belanger - VP and Medical Director, Central and Southern Alberta	19	-	-	19	17	17	20	37

SUB-SCHEDULE 2D - EXECUTIVE SUPPLEMENTAL PENSION PLAN AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (CONTINUED)

	2014				2013			
	SPP	SERP						
	Current period benefit costs[1]	Current period benefit costs[2]	Other Costs[3]	Total	Total	Account Balance[4] or Accrued Benefit Obligation March 31, 2013	Change During the Year[5]	Account Balance[4] or Accrued Benefit Obligation March 31, 2014
Deb Gordon - VP and Chief Health Operations Officer, Northern Alberta/VP Collaborative Practice, Nursing and Health Professions - SERP	$ -	$ -	$ (14)	$ (14)	$ 39	$ 567	$ 44	$ 611
Deb Gordon - VP and Chief Health Operations Officer, Northern Alberta/VP Collaborative Practice, Nursing and Health Professions - SPP	22	-	-	22	8	8	22	30
Dr. Tom Noseworthy - Acting VP and Chief Health Operations Officer, Northern Alberta	-	-	-	-	-	-	-	-
Dr. David Mador - VP and Medical Director, Northern Alberta	20	-	-	20	-	-	20	20
Dr. Verna Yiu – VP, Quality and Chief Medical Officer [6]	-	-	-	-	-	-	-	-
Mauro Chies - Acting VP, Province-Wide Clinical Supports, Programs and Services	8	-	-	8	3	14	9	23
Susan McGillivray - Acting VP, People - SERP	-	-	(3)	(3)	2	128	-	128
Susan McGillivray - Acting VP, People - SPP	11	-	-	11	6	6	11	17
Mark Haley – VP, People	-	-	-	-	-	-	-	-
Colleen Turner - Acting VP, Community Engagement and Communications	9	-	-	9	4	13	12	25
Dr. Kathryn Todd - VP, Research, Innovation and Analytics [6]	-	-	-	-	-	-	-	-
Chris Mazurkevich - Former Executive VP and Chief Operating Officer	14	-	-	14	32	113	(113)	-
Dr. David Megran - Former Executive VP and Chief Medical Officer, Clinical Operations	-	133	(3)	130	138	1,095	(1,095)	-
Stephen Gould - Former Executive VP, People and Partners	13	-	-	13	26	42	(42)	-
Bill Trafford - Acting VP and Chief Transition Officer - SERP	-	-	(4)	(4)	(1)	1,354	(160)	1,194
Bill Trafford - Acting VP and Chief Transition Officer - SPP	12	-	-	12	19	26	(26)	-
Barb Pitts - Former Senior VP, Priorities and Performance	-	-	-	-	9	9	(9)	-

(1) The SPP current period benefit costs are AHS contributions earned in the period.
(2) The SERP costs are not cash payments in the period but are the cost in the period for rights to these future retirement benefits. Current period benefit cost is the actuarial present value of the benefits earned in the fiscal year.
(3) Other SERP costs include retirement benefits, interest expense on the obligations, and amortization of actuarial gains and losses, offset by the expected return on the plans' assets.
(4) The account balance represents the total cumulative contributions made by AHS to the SPP as well as cumulative investment gains or losses on the contributions.
(5) Changes in the accrued benefit obligation include current period benefit cost, interest accruing on the obligations, the amortization of any actuarial gains or losses in the period, and gains or losses due to curtailment. Changes in the account balance include the current benefit costs and investment gains or losses related to the account.

FOOTNOTES TO THE CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS
FOR THE YEAR ENDED MARCH 31, 2014

Definitions

a. For this schedule, Full time equivalents (FTE) are determined by actual hours earned divided by 2,022.75 annual base hours. FTE for former Board Members, former Board Committee participants, the Official Administrator, and Advisory Committee members are prorated using the number of days in the fiscal year between either the date of appointment and the end of the year or the beginning of the year and the termination date.

b. Base salary is regular salary and includes all payments earned related to actual hours earned other than reported as other cash benefits.

Vacation accruals are included in base salary except for direct reports of the Board, Official Administrator, or President and Chief Executive Officer where vacation payouts are included in other cash benefits and vacation accruals are included in other non-cash benefits.

c. Other cash benefits may include as applicable honoraria, overtime, acting pay, market supplements, automobile allowance, lump sum payments, an allowance for professional development and an allowance for personal, financial and tax advice, club memberships and other similar purposes. Relocation expenses are excluded from compensation disclosure as they are considered to be recruiting costs to AHS and not part of compensation unless related to severance or termination benefits. Expense reimbursements are also excluded from compensation disclosure except where the expenses meet the definition of the other cash benefits listed above.

Pay-at-risk was discontinued in the current fiscal year. Under the 'pay-at-risk' model, a component of remuneration was withheld during the year and released (in full or in part) based on achievement of performance objectives. Pay-at-risk was paid to some executives terminated without cause based on the terms of their employment agreements [hh,ii] and is included in other cash benefits.

d. Other non-cash benefits include:
- Employer's current period benefit costs and other costs of supplemental pension plan and supplemental executive retirement plans as defined in Sub-Schedule 2D
- Share of employee benefit contributions and payments made on behalf of employees including pension, health care, dental and vision coverage, out-of-country medical benefits, group life insurance, accidental disability and dismemberment insurance, and long and short term disability plans, and
- Employer's share of the cost of additional benefits including sabbaticals or other special leave with pay.

e. Severance and termination benefits include direct or indirect payments to individuals upon termination or through a voluntary exit program. Severance and termination benefits are not included in other cash benefits or non-cash benefits.

f. Compensation for medical doctors included in salaries and benefits expense includes medical doctors paid through AHS payroll. The compensation for the remaining medical doctors is included in other contracted services.

FOOTNOTES TO THE CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2014 (CONTINUED)

Official Administrators and Former Board

g. These individuals are participants of Official Administrator governance advisory committees, but are not AHS employees.

h. Catherine Roozen ceased to claim honoraria October 1, 2012.

i. Sheila Wetherill and Dr. Verna Yiu did not claim honoraria.

j. These individuals were participants of former Board committees, but were not former Board members or AHS employees. However, they were eligible to receive honoraria for meetings attended.

k. Participation by these individuals on former Board committees ceased on June 12, 2013.

Executive

l. AHS has implemented a new titling structure. All references to titles under the former titling structure are preceded by "former position" of executive vice president, senior vice president, and vice president.

m. Incumbents are provided with an automobile allowance. Dollar amounts are included in other cash benefits. No incumbents were provided with an automobile in the current year.

n. The incumbent is on secondment from the University of Alberta. The incumbent's total remuneration is comprised of salary amounts from both AHS and the University of Alberta. AHS reimburses the University for the incumbent's base salary and benefits including annual performance adjustments. In lieu of enrollment into the AHS SPP, the incumbent will receive an annual lump sum supplemental payment equivalent to the amount the incumbent would have received as a member of the SPP and payable from AHS. The lump sum has been included in Other Cash Benefits.

o. The incumbent was on secondment from the University of Calgary. The incumbent's total remuneration was comprised of salary amounts from both AHS and the University of Calgary. AHS reimbursed the University for the incumbent's rank salary; all amounts have been included in base salary. AHS benefits and SERP calculations were based on the salary amounts from AHS.

p. The incumbent held the position effective May 26, 2014. The contract term ends May 26, 2017.

q. The incumbent held the former position of Senior Vice President, Calgary Zone until September 10, 2013 at which time the incumbent was appointed to Vice President and Health Operations Officer, Central and Southern Alberta and became a direct report to the President and Chief Executive Officer. This is a new position as a result of restructuring. The incumbent was additionally appointed to the position of Interim President and Chief Executive officer, Zone and Health Operations effective November 15, 2013 and became a direct report to the Official Administrator. The incumbent received an incremental increase in base salary of $30 per annum effective November 15, 2013 while in the Interim President and Chief Executive Officer, Zone and Health Operations position.

FOOTNOTES TO THE CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2014 (CONTINUED)

r. The incumbent held the former position of Senior Vice President, Population and Public Health until September 10, 2013 at which time the incumbent was appointed to Acting Vice President, Province-Wide Clinical Supports, Programs and Services and became a direct report to the President and Chief Executive Officer. This is a new position as a result of restructuring. The incumbent received an additional 10% of base salary while in the Acting Vice President, Province-Wide Clinical Supports, Programs and Services position. 'Acting' was removed from this appointment November 15, 2013. The incumbent was additionally appointed to the position of Interim President and Chief Executive Officer, Population Health and Province-Wide Services effective November 15, 2013 and became a direct report to the Official Administrator. The incumbent received an incremental increase in base salary of $30 per annum effective November 15, 2013 while in the Interim President and Chief Executive Officer, Population Health and Province-Wide Services position.

s. The incumbent held the position of Vice President Corporate Services and Chief Financial Officer until October 18, 2013 at which time the incumbent was appointed to Acting President and Chief Executive Officer and became a direct report to the Official Administrator. The incumbent received an additional 10% of base salary while in the Acting President and Chief Executive Officer position. On November 15, 2013, the incumbent returned to his former role on a paid leave of absence until March 31, 2014. The incumbent was engaged to work as an independent contractor for the Canadian Institute of Health Information on a research project commissioned by AHS from April 1, 2014 to March 31, 2015. The cost to AHS of $500 for the research project as well as $43 for relocation expenses has been reported as termination benefits.

t. The incumbent held the position of President and Chief Executive Officer until October 16, 2013 at which time the incumbent moved to the position of Special Advisor to the Official Administrator for a 12 month period ending October 20, 2014. There was no change in compensation from the President and Chief Executive Officer position to the Special Advisor position. The position of Special Advisor comes with no entitlement of severance. The incumbent is also provided with a 3 month sabbatical leave as part of the Special Advisor position. This non-cash benefit has been expensed in the current year.

u. The incumbent held the position of Chief Audit Executive throughout the year. Effective July 17, 2013 the incumbent was also assigned to the interim leadership role for the Legal and Privacy portfolio and received an additional 10% of base salary as a result of the increase to the incumbent's responsibilities.

v. The incumbent held the position of Assistant Corporate Secretary until July 1, 2013 at which time the incumbent was appointed to Acting Corporate Secretary. The incumbent received an additional 8% of base salary while in the Acting Corporate Secretary position. The incumbent was appointed to Corporate Secretary September 1, 2013.

w. The incumbent held the position until August 16, 2013 at which time the incumbent left AHS.

x. The incumbent held the former position of Senior Vice President, Human Resources until September 30, 2013 at which time the incumbent was appointed to Chief External Relations Officer and became a direct report to the Official Administrator.

y. The incumbent held the former position of Acting Chief Financial Officer until April 9, 2013 at which time the incumbent resumed the role of former Senior Vice President, Finance. The incumbent received an additional 7% of base salary while in the Acting Chief Financial Officer position. The incumbent was appointed to Acting Vice President Corporate Services and Chief Financial Officer effective October 17, 2013 and returned to being a direct report to the President and Chief Executive Officer. The incumbent received an additional 10% of base salary while in the Acting Vice President Corporate Services and Chief Financial Officer position.

FOOTNOTES TO THE CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2014 (CONTINUED)

z. The incumbent held the former position of Senior Vice President and Zone Medical Director, Calgary Zone until September 10, 2013 at which time the incumbent was additionally appointed to Vice President and Medical Director, Central and Southern Alberta and became a direct report to the President and Chief Executive Officer. This is a new position as a result of restructuring.

aa. The incumbent held the position of Vice President, Collaborative Practice, Nursing and Health Professions until January 13, 2014 at which time the incumbent was appointed to Vice President and Chief Health Operations Officer – Northern Alberta while retaining the role of Acting Vice President, Collaborative Practice, Nursing and Health Professions.

bb. The incumbent held the position of Associate Chief Medical Officer, Strategic Clinical Networks and Clinical Care Pathways until September 10, 2013 at which time the incumbent was additionally appointed to Acting Vice President and Chief Health Operations Officer – Northern Alberta and became a direct report to the President and Chief Executive Officer. This is a new position as a result of restructuring. The incumbent was in this role until January 14, 2014 at which time he resumed the role of Associate Chief Medical Officer, Strategic Clinical Networks and Clinical Care Pathways and was no longer a direct report. The incumbent received up to an additional $10 per month while in the Acting Vice President and Chief Health Operations Officer – Northern Alberta position.

cc. The incumbent held the position of Zone Medical Director, Edmonton Zone until September 10, 2013 at which time the incumbent was additionally appointed to Vice President and Medical Director, Northern Alberta and became a direct report to the President and Chief Executive Officer. This is a new position as a result of restructuring.

dd. The incumbent held the former position of Vice President, Diagnostic Imaging Services until September 10, 2013 at which time the incumbent was appointed to Acting Vice President, Province-Wide Clinical Supports, Programs & Services and became a direct report to the President and Chief Executive Officer. The incumbent received an additional 10% of base salary for the period of September 10, 2013 to November 14, 2013 and incremental acting pay of $55 per annum effective November 15, 2013 while in the Acting Vice President, Province-Wide Clinical Supports, Programs & Services position.

ee. The incumbent held the former position of Vice President, Human Resources, HR Client Services and Employee Labour Relations until October 24, 2013 at which time the incumbent was appointed to Acting Vice President, People and became a direct report to the President and Chief Executive Officer. The incumbent received incremental acting pay of $33 per annum while in the Acting Vice President, People position.

ff. The incumbent was engaged by AHS effective August 1, 2013 to advise and provide services related to the leadership and management of AHS' people. The incumbent held the position of VP People and became a direct report to the President and Chief Executive Officer effective September 12, 2013 until October 22, 2013 at which time the incumbent ceased to report directly to the President and Chief Executive Officer. The incumbent received one lump sum payment of $284 as total compensation for all costs following the incumbent's departure from AHS. The amount paid has been allocated for disclosure purposes.

gg. The incumbent held the former position of Vice President, Communications until September 10, 2013 at which time the incumbent was appointed to Acting Vice President, Community Engagement and Communications and became a direct report to the President and Chief Executive Officer. The incumbent received an additional 10% of base salary while in the Acting Vice President, Community Engagement and Communications position.

FOOTNOTES TO THE CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2014 (CONTINUED)

hh. The incumbent held the position until September 10, 2013 at which time the position was abolished as a result of restructuring. The incumbent received the salary and other accrued entitlements to the date of departure. The reported severance includes 12 months base salary at the rate in effect at the date of departure and 15% of the severance in lieu of benefits. Should the incumbent obtain alternate employment during the 12 month notice period, the monthly payment will cease and the incumbent will be paid a lump sum equal to one-half of any payments then remaining. The incumbent received a proportionate amount of pay-at-risk ($41) for the months worked within the fiscal year based on the prior year's pay-at-risk amount. These terms are in accordance with the incumbent's contract.

ii. The incumbent held the position until September 10, 2013 at which time the position was abolished as a result of restructuring. The incumbent received the salary and other accrued entitlements to the date of departure. The reported severance includes 15 months and 3 weeks of base salary at the rate in effect at the date of departure and 15% of the severance in lieu of benefits. AHS will also make payment for the incumbent to attend an outplacement program for a maximum of 6 months. These terms are in accordance with the incumbent's contract.

jj. The incumbent held the position until September 20, 2013 at which time the incumbent left as a result of restructuring. The incumbent received the salary and other accrued entitlements to the date of departure. The total eligible severance included 12 months base salary at the rate in effect at the date of departure and 15% of the severance in lieu of benefits. Effective February 24, 2014, the incumbent obtained alternate employment. At this point the monthly payments ceased and the incumbent was paid a lump sum equal to one-half of the remaining eligible payments. The incumbent also received a proportionate amount of pay-at-risk ($33) for the months worked within the fiscal year based on the prior year's pay-at-risk amount. These terms are in accordance with the incumbent's contract.

kk. The incumbent held the former position of Executive Vice President and Chief Development Officer until April 30, 2013 at which time the incumbent moved to the part-time position of Senior Advisor to the President and Chief Executive Officer. The incumbent held the position of Senior Advisor to the President and Chief Executive Officer until September 10, 2013 at which time the incumbent was appointed to the position of Acting Vice President and Chief Transformation Officer. This is a new position as a result of restructuring. The incumbent held the position of Acting Vice President and Chief Transformation Officer until November 22, 2013 at which time the position was abolished as a result of restructuring. The reported severance includes 12 months base salary at the rate in effect at the date of departure and 15% of the severance in lieu of benefits. Should the incumbent obtain alternate employment during the 12 month notice period, the monthly payment will cease and the incumbent will be paid a lump sum equal to one-half of any payments then remaining. Effective November 23, 2013, the incumbent was engaged in the role of Senior Advisor, Lab Redesign until May 5, 2014. The incumbent provides services to AHS during this term without receiving compensation or entitlement of severance for this role. However, the incumbent continued and will continue to receive monthly severance payments per the incumbent's Acting Vice President and Chief Transformation Officer termination agreement.

ll. The incumbent held the position until September 10, 2013 at which time the position was abolished as a result of restructuring. The incumbent received the salary and other accrued entitlements to the date of departure. The reported severance includes 52 weeks base salary at the rate in effect at the date of departure and 15% of the severance in lieu of benefits. AHS will also make payment for the incumbent to attend an outplacement program for a maximum of 6 months.

mm. The incumbent held the position effective May 7, 2012 until August 1, 2012 at which time the incumbent left AHS. The incumbent did not receive any severance. On March 14, 2014, the former incumbent filed a statement of claim for damages totaling $6 million.

FOOTNOTES TO THE CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2014 (CONTINUED)

Termination Liabilities

nn. In the case of termination without just cause by AHS, the incumbent shall receive severance pay equal to one month annual base salary for each completed month of service to a maximum of twelve months. Monthly severance payments will be reduced by the amount of any employment income or consulting earnings received from a new employer during the month.

oo. The incumbent's termination benefits have not been predetermined.

pp. In the case of termination without just cause by AHS, the incumbent shall receive severance pay equal to 12 months base salary. The severance payment will be reduced by any employment earnings received from a new employer within the 12 month period.

qq. In the case of termination without just cause by AHS, the incumbent shall receive severance pay to a maximum of 12 months base salary plus market supplement. Such severance will be paid in 12 equal monthly installments. The severance payment will be reduced by any employment earnings received from a new employer within the 12 month period.

rr. There is no severance associated with the secondment agreement. Upon termination of the secondment agreement, the incumbent would return to the incumbent's regular position at the University of Alberta.

ss. In the case of termination without just cause by AHS, the incumbent shall receive severance pay to a maximum of 12 months base salary. The incumbent will also be paid 15% of the severance in lieu of all other benefits.

tt. In the case of termination without just cause by AHS, the incumbent shall receive the salary and other accrued entitlements to the date of termination. In addition, the incumbent will receive severance pay equal to 12 months base salary at the rate in effect at the date of termination. Such severance will be paid in 12 equal monthly installments. The incumbent will also be paid 15% of the severance in lieu of all other benefits. Upon obtaining alternate employment, the incumbent is only entitled to receive one-half of the unpaid severance at that time.

FOOTNOTES TO THE CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS FOR THE YEAR ENDED MARCH 31, 2014 (CONTINUED)

uu. SPP and SERP

Based on the provision of the applicable SPP and SERP, the following outlines the benefits received by individuals who terminated employment with AHS within the 2013-14 fiscal period. As a result of retirement or termination, the incumbents are entitled to the benefits accrued to them up to the date of retirement or termination. For participants of SPP, the benefit includes the account balances as at March 31, 2013 and the current period benefit costs and investment gains or losses related to the account that were incurred during the current year. For participants of SERP, the benefit includes the accrued benefit obligation as at March 31, 2013, the current period benefit cost, interest accruing on the obligations, the amortization of any actuarial gains or losses in the period, and gains or losses due to curtailment that were incurred during the current year as identified in Sub-Schedule 2D. The AHS obligations are paid through either a monthly, annual, or lump sum payment:

Position	Supplemental Plan Commencement Date	Benefit (not in thousands)	Frequency	Payment Terms
Chief of Staff and Corporate Secretary (SPP)	April 25, 2011	$11,036	Once	Lump Sum
Former Executive VP and Chief Operating Officer (SPP)	April 14, 2009	$131,659	Once	Lump Sum
Former Executive VP and Chief Medical Officer, Clinical Operations (SERP)	January 1, 2005	$1,057,766	Once	Lump Sum
Former Executive VP, People and Partners (SPP)	September 19, 2011	$54,826	Once	Lump Sum
Acting VP and Chief Transition Officer (SPP)	December 1, 2011	$40,219	Once	Lump Sum
Acting VP and Chief Transition Officer (SERP)	December 1, 2004	$11,721	Monthly	For a fixed term of 10 years from December 1, 2013 to November 2, 2023

Financial Information

Health Quality Council of Alberta

Financial Statements

March 31, 2014

HEALTH QUALITY COUNCIL OF ALBERTA

FINANCIAL STATEMENTS

MARCH 31, 2014

HEALTH QUALITY COUNCIL OF ALBERTA

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

MARCH 31, 2014

The accompanying financial statements are the responsibility of management and have been reviewed and approved by Senior Management. The financial statements were prepared in accordance with Canadian Public Sector Accounting Standards, and of necessity, include some amounts that are based on estimates and judgement.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system provides management with reasonable assurance that transactions are in accordance with governing legislation and are properly authorized, reliable financial records are maintained, and assets are adequately safeguarded.

The Health Quality Council of Alberta's Board of Directors carries out their responsibility for the financial statements through the Audit and Finance Committee. The Committee meets with management and the Auditor General of Alberta to review financial matters, and recommends the financial statements to the Health Quality Council of Alberta Board of Directors for approval upon finalization of the audit. The Auditor General of Alberta has free access to the Audit and Finance Committee.

The Auditor General of Alberta provides an independent audit of the financial statements. His examination is conducted in accordance with Canadian Generally Accepted Auditing Standards and includes tests and procedures, which allow him to report on the fairness of the financial statements prepared by management.

On behalf of the Health Quality Council of Alberta.

[Original signed by]

Acting Chief Executive Officer
Patricia L. Pelton
June 4, 2014

[Original signed by]

Executive Director
Charlene McBrien-Morrison
June 4, 2014

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Board of Directors of the Health Quality Council of Alberta

Report on the Financial Statements

I have audited the accompanying financial statements of the Health Quality Council of Alberta, which comprise the statement of financial position as at March 31, 2014, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Health Quality Council of Alberta as at March 31, 2014, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

June 4, 2014

Edmonton, Alberta

HEALTH QUALITY COUNCIL OF ALBERTA
STATEMENT OF OPERATIONS
Year ended March 31

	2014		2013
	Budget	Actual	Restated (Note 12)
	(in thousands)		
Revenues			
Government transfers			
Alberta Health - operating grant	$ 6,959	$ 6,959	$ 6,900
Alberta Health - restricted grants	-	-	314
Investment income	14	27	17
Other revenue	5	221	277
	6,978	7,207	7,508
Expenses			
Survey, measure and monitor initiatives (Note 12)	2,552	2,034	1,500
Administration	2,540	2,351	2,243
Quality initiatives	1,020	792	1,004
Patient safety initiatives	884	833	491
Communication	459	431	304
Ministerial assessment/study	-	117	314
Other assessment/study	-	164	206
	7,455	6,722	6,062
Annual operating surplus (deficit)	(477)	485	1,446
Accumulated operating surplus, beginning of year	1,729	1,901	455
Accumulated operating surplus, end of year	$ 1,252	$ 2,386	$ 1,901

Contractual obligations (Note 9)

The accompanying notes and schedules are part of these financial statements.

HEALTH QUALITY COUNCIL OF ALBERTA
STATEMENT OF FINANCIAL POSITION
As at

	March 31	
	2014	2013 Restated (Note 12)
	(in thousands)	
Assets		
Cash and cash equivalents (Note 4)	$ 3,011	$ 2,082
Accounts receivable (Note 5)	232	307
Prepaid expenses (Note 12)	35	206
Tangible capital assets (Note 6)	149	152
	$ 3,427	$ 2,747
Liabilities		
Accounts payable and accrued liabilities	$ 1,036	$ 811
Deferred revenue (Note 7)	5	35
	1,041	846
Net Assets		
Accumulated operating surplus (Notes 10 and 12)	2,386	1,901
	$ 3,427	$ 2,747

The accompanying notes and schedules are part of these financial statements.

HEALTH QUALITY COUNCIL OF ALBERTA
STATEMENT OF CASH FLOWS
Year ended March 31

	2014	2013 Restated (Note 12)
	(in thousands)	
Operating Transactions		
Annual operating surplus	$ 485	$ 1,446
Non-cash items:		
Amortization of tangible capital assets	109	114
	594	1,560
Decrease (increase) in accounts receivable	75	(176)
Decrease (Increase) in prepaid expenses	171	(141)
Increase in accounts payable and accrued liabilities	225	60
(Decrease) increase in deferred revenue	(30)	35
Cash provided by operating transactions	1,035	1,338
Capital Transactions		
Acquisition of tangible capital assets	(106)	(37)
Cash applied to capital transactions	(106)	(37)
Increase in cash and cash equivalents	929	1,301
Cash and cash equivalents at beginning of year	2,082	781
Cash and cash equivalents at end of year	$ 3,011	$ 2,082

The accompanying notes and schedules are part of these financial statements.

HEALTH QUALITY COUNCIL OF ALBERTA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

Note 1 AUTHORITY

The Health Quality Council of Alberta (HQCA) is a corporation under the *Health Quality Council of Alberta Act* and a government not-for-profit organization.

Pursuant to the *Health Quality Council of Alberta Act*, the Health Quality Council of Alberta has a mandate to promote and improve patient safety and health service quality on a province-wide basis.

The Health Quality Council of Alberta is exempt from income taxes under the Income Tax Act.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses of the HQCA.

(b) Basis of Financial Reporting

Revenue

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

Government transfers

Transfers from the Government of Alberta, other governments and other government entities are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recorded as deferred revenue if the terms for the use of the transfer, or the terms, along with the HQCA's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the terms are met and, when applicable, the HQCA complies with its communicated use of the transfer.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the HQCA is eligible to receive the funds.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONT'D)

(b) Basis of Financial Reporting (Cont'd)

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.

Grants and transfers are recorded as expenses when the transfer is authorized and eligibility criteria, if any, have been met by the recipient.

Net Assets

Net assets represent the difference between the assets held by the HQCA and its liabilities.

Canadian public sector accounting standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The HQCA operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Valuation of Financial Assets and Liabilities

The HQCA's financial assets and liabilities are generally measured as follows:

Financial Statement Component	Measurement
Cash and cash equivalents	Cost or Amortized cost
Accounts receivable	Cost or Amortized cost
Accounts payable and accrued liabilities	Cost or Amortized cost

The HQCA does not hold equities traded in an active market, nor engage in derivative contracts or foreign currency transactions. The HQCA is not exposed to remeasurement gains or losses and, consequently, a statement of remeasurement gains and losses is not presented.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONT'D)

(b) Basis of Financial Reporting (Cont'd)

Financial risk management

The HQCA has the following financial instruments: accounts receivable, accounts payable and accrued liabilities.

The HQCA has exposure to the following risks from its use of financial instruments: interest rate risk, liquidity risk and other price risk.

The Board of Directors ensures that the HQCA has identified its major risks and ensures that management monitors and controls them.

(a) Interest rate risk

Interest rate risk is the risk that the rate of return and future cash flows on the HQCA's short-term investments will fluctuate because of changes in market interest rates. As the HQCA invests in short term deposits of ninety (90) days or less and accounts payable are non-interest bearing, the HQCA is not exposed to significant interest rate risk relating to its financial assets and liabilities.

(b) Liquidity risk

Liquidity risk is the risk that the HQCA will encounter difficulty in meeting obligations associated with financial liabilities. The HQCA enters into transactions to purchase goods and services on credit. Liquidity risk is measured by reviewing the HQCA's future net cash flows for the possibility of negative net cash flow. The HQCA manages the liquidity risk resulting from its accounts payable obligations by maintaining cash resources and investing in short-term deposits of ninety (90) days or less.

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Price risk is managed by holding short-term deposits for ninety (90) days or less.

(d) Credit risk

The HQCA is exposed to credit risk from potential non-payment of accounts receivable. Most of the HQCA's receivables are from provincial agencies; therefore the credit risk is minimal.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONT'D)

(b) Basis of Financial Reporting (Cont'd)

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The amounts recorded for amortization of tangible capital assets are based on estimates of the useful life of the related assets. Actual results could differ from estimates.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Tangible capital assets valued at $5 or greater are recorded as a tangible capital asset.

Work-in-progress, which includes leasehold improvement projects, is not amortized until after the project is complete and the asset is put into service.

The cost, less residual value, of the tangible capital assets, excluding land and work-in-progress, is amortized on a straight-line basis over their estimated useful lives as follows:

Computer hardware and software	2 years
Office equipment	3 years
Leasehold improvements	Over term of lease

Tangible capital assets are written down when conditions indicate that they no longer contribute to the HQCA's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their book value. The net write-downs are accounted for as expenses in the Statement of Operations.

(in thousands)

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONT'D)

(b) Basis of Financial Reporting (Cont'd)

Funds and Reserves

Certain amounts, as approved by the Board of Directors, are set aside in accumulated operating surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

Note 3 BUDGET

The HQCA's 2013-2014 business plan with a budgeted deficit of ($477) was approved by the Board of Directors on December 21, 2012 and the financial plan was submitted to the Ministry of Health.

Note 4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2014	2013
Cash	$ 1,502	$ 2,082
Cash equivalents	1,509	-
	$ 3,011	$ 2,082

Note 5 ACCOUNTS RECEIVABLE

	2014	2013
Due from Alberta Health	$ -	$ 116
Due from Alberta Health Services	164	92
Other receivables	68	99
	$ 232	$ 307

HEALTH QUALITY COUNCIL OF ALBERTA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014
(in thousands)

Note 6 TANGIBLE CAPITAL ASSETS

	2014					2013
	Work-in-progress	Equipment	Computer hardware & software	Other [a]	Total	Total
Estimated useful life		3 yrs	2 yrs	5 – 10 yrs		
Historical Cost						
Beginning of year	$ -	$ 117	$ 411	$ 45	$ 573	$ 536
Additions	61	16	29	-	106	37
	61	133	440	45	679	573
Accumulated Amortization						
Beginning of year	-	58	337	26	421	307
Amortization expense	-	32	71	6	109	114
	-	90	408	32	530	421
Net book value at March 31, 2014	$ 61	$ 43	$ 32	$ 13	$ 149	
Net book value at March 31, 2013	$ -	$ 59	$ 74	$ 19		$ 152

(a) Other capital assets include leasehold improvements.

(in thousands)

Note 7 DEFERRED REVENUE

Deferred revenue represents unspent externally restricted resources. Changes in the balance are as follows:

	2014	2013
Balance, beginning of the year	$ 35	$ -
Resources received	-	35
Amounts recognized in revenue	(30)	-
Balance, end of the year	$ 5	$ 35

Note 8 BENEFIT PLAN

The HQCA participates in the Local Authorities Pension Plan (LAPP), a multi- employer defined benefit pension plan.

The HQCA accounts for this multi-employer pension plan on a defined contribution basis. The HQCA is not responsible for future funding of the plan deficit other than through contribution increases. Pension expense recorded in the financial statements is equivalent to HQCA's annual contributions of $234 for the year ended March 2014 (2013 - $207).

At December 31, 2013, the Local Authorities Pension Plan reported a deficiency of $4,861,516 (2012 deficiency of $4,977,303).

Note 9 CONTRACTUAL OBLIGATIONS

Contractual obligations are obligations of the HQCA to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2014	2013
Obligations under operating leases, contracts and programs	$ 982	$ 2,216

(in thousands)

Note 9 CONTRACTUAL OBLIGATIONS (CONT'D)

Estimated payment requirements for each of the next five years and thereafter are as follows:

2014-15	$ 443
2015-16	431
2016-17	108
2017-18	-
2018-19	-
Thereafter	-
	$ 982

A lease agreement is in place for July 1, 2011 to July 31, 2017 for office space in Calgary. This commits the HQCA to annual rent in the amount of $250 and operating and realty tax expense recoverable by the landlord, subject to adjustment in accordance with the lease, of approximately $181 annually.

Note 10 ACCUMULATED OPERATING SURPLUS

Accumulated operating surplus is comprised of the following:

	Investment in Tangible Capital Assets [a]	Internally Restricted Surplus [b]	Unrestricted Surplus	Total
Accumulated operating surplus , April 1, 2013 (restated – Note 12)	$ 152	$ 610	$ 1,139	$ 1,901
Annual operating surplus	-	-	485	485
Purchase of tangible capital assets from unrestricted reserves	106	-	(106)	-
Amortization of tangible capital assets	(109)	-	109	-
Net transfers	-	133	(133)	-
Accumulated operating surplus , March 31, 2014	$ 149	$ 743	$ 1,494	$ 2,386

(a) Net assets equal to the net book value of internally funded tangible capital assets are restricted as these net assets are not available for any other purpose.

(b) The Board of Directors has internally restricted $649 for leasehold improvements and $94 for Ministerial requests to be completed within the 2014/2015 fiscal year.

(in thousands)

Note 11 FUNDS HELD IN TRUST

The HQCA holds funds in trust for the Health Services Preferential Access Inquiry (HSPAI) in accordance with the terms and conditions embodied in the relevant agreements. As the HQCA has no unilateral power to change the agreements, does not govern the HSPAI nor has entitlement to any unexpended monies of the HSPAI, these funds are not reported in these financial statements.

The HSPAI was completed by October 31, 2013. Surplus funds of $2,349 at March 31, 2014 are refundable to Alberta Health (AH).

	2014	2013
Balance, beginning of the year	$ 5,080	$ -
Resources received	-	8,583
Bank interest received	35	32
Resources paid on behalf of the inquiry	(2,766)	(3,535)
Amount payable to AH	(2,349)	-
Balance, end of the year	$ -	$ 5,080

Note 12 RESTATEMENT OF FINANCIAL STATEMENTS FOR 2013

In 2013, certain payments under service contract agreements for an amount of $172 were charged to Survey, measure and monitor initiative expense in the Statement of Operations. The nature of these initial payments was a deposit due on the signing of the service contract agreements.

Accordingly, the amount of $172 should have been reported as a prepaid expense on the Statement of Financial Position for 2013. The adjustment of $172 has been applied retroactively and accordingly, the comparative financial statements for March 31, 2013 have been restated.

The effect of this restatement of the comparative financial statements for 2013 was an increase in prepaid expenses in the Statement of Financial Position, an increase in annual operating surplus in the Statement of Operations and an increase in accumulated operating surplus, end of year for an amount of $172 in the Statement of Financial Position.

Note 13 COMPARATIVE FIGURES

Certain 2013 figures have been reclassified to conform to the 2014 presentation.

Note 14 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the HQCA Board of Directors on June 4, 2014.

Schedule 1

HEALTH QUALITY COUNCIL OF ALBERTA
EXPENSES – DETAILED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2014

	2014		2013
	Budget	Actual	Restated (Note 12)
	(in thousands)		
Salaries and benefits	$ 3,556	$ 3,142	$ 2,881
Supplies, services and other	3,464	3,153	2,747
System support	203	214	200
Amortization of tangible capital assets	102	109	114
Board of Directors	130	104	120
	$ 7,455	$ 6,722	$ 6,062

Schedule 2

HEALTH QUALITY COUNCIL OF ALBERTA
SALARY AND BENEFIT DISCLOSURE
YEAR ENDED MARCH 31, 2014

	2014				2013
	Base Salary [1]	Other Cash Benefits [2]	Other Non-Cash Benefits [3]	Total	Total
	(in thousands)				
Board of Directors-Chair	$ -	$ 11	$ -	$ 11	$ 14
Board of Directors-Members	-	44	-	44	44
Chief Executive Officer [4]	440	32	-	472	550
Executive Director	171	-	28	199	204

(1) Base salary includes pensionable base pay except for the Acting Chief Executive Officer (CEO).

(2) Other cash benefits include honoraria and payment in lieu of benefits for the Acting CEO.

(3) Other non-cash benefits include: share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, employee assistance program and employment insurance.

(4) Prior to October 1, 2013 the CEO was retained through an eight (8) year executive oversight contract, which held the HQCA harmless of any related overtime, supplementary retirement, and benefits other than medical reimbursement and variable pay, which was subject to the approval of the Board of Directors. Effective October 1, 2013, the position is occupied by an Acting Chief Executive Officer who is an employee.

Schedule 3

HEALTH QUALITY COUNCIL OF ALBERTA
RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include key management personnel in the HQCA.

The Health Quality Council of Alberta had the following transactions with related parties recorded in the Statements of Operations and the Statements of Financial Position at the amount of consideration agreed upon between the related parties.

	2014	2013
	(in thousands)	
Revenues		
Grants	$ 6,959	$ 7,214
Other	194	277
	$ 7,153	$ 7,491
Expenses		
Other services	$ 722	$ 558
Grants	1	-
	$ 723	$ 558
Receivable from related parties	$ 164	$ 208
Payable to related parties	$ 199	$ 299
Deferred revenue	$ 5	$ 35

Financial Information

Alberta Innovates — Health Solutions

Consolidated Financial Statements

March 31, 2014

Alberta Innovates – Health Solutions

Consolidated Financial Statements
March 31, 2014

ALBERTA INNOVATES – HEALTH SOLUTIONS

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Board of Directors of Alberta Innovates—Health Solutions

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of Alberta Innovates—Health Solutions, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Alberta Innovates—Health Solutions as at March 31, 2014, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

May 30, 2014

Edmonton, Alberta

ALBERTA INNOVATES - HEALTH SOLUTIONS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014

	2014	2013
	(in thousands)	
Assets		
Cash (Note 5)	$ 62,573	$ 45,275
Accounts Receivable and Other Assets (Note 7)	8,527	3,993
Tangible Capital Assets (Note 8)	943	1,088
	$ 72,043	$ 50,356
Liabilities		
Accounts Payable and Accrued Liabilities (Note 11)	$ 11,971	1,766
Unearned Revenue (Note 9)	23,763	10,225
Benefit Plans (Note 10(b))	378	428
	$ 36,112	$ 12,419
Net Assets		
Net Assets at Beginning of Year	$ 37,937	$ 24,373
Annual operating surplus (deficit)	(2,006)	13,564
Net Assets at End of Year	35,931	37,937
	$ 72,043	50,356

Contractual Obligations (Note 12)

The accompanying notes and schedules are a part of these consolidated financial statements.

ALBERTA INNOVATES - HEALTH SOLUTIONS
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2014

	2014		2013
	Budget (Schedule 4)	Actual	Actual
	(in thousands)		
Revenues			
Government Transfers			
Government of Alberta Grants	$ 101,393	100,363	$ 87,768
Partnership Revenue	3,000	1,257	500
Other Revenue	580	1,054	680
Investment Income	300	593	491
	105,273	103,267	89,439
Expenses (Schedule 1 and Note 2(b)(iii))			
Highly Skilled People	107,183	85,945	61,960
Knowledge Translation	10,549	5,717	2,151
Innovation Platforms	5,768	4,313	3,224
Operations	11,240	9,298	8,540
	134,740	105,273	75,875
Annual operating surplus (deficit)	$ (29,467)	$ (2,006)	$ 13,564

The accompanying notes and schedules are a part of these consolidated financial statements.

ALBERTA INNOVATES - HEALTH SOLUTIONS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2014

	2014	2013
	(in thousands)	
Operating Transactions		
Annual operating surplus (deficit)	$ (2,006)	$ 13,564
Non-Cash Items:		
Amortization of Tangible Capital Assets (Note 8)	223	152
Loss on Disposal of Tangible Capital Assets	24	13
Unearned revenue recognized as revenue	(15,230)	(9,075)
	(16,989)	4,654
Increase in Accounts Receivable and Other Assets	(4,534)	(3,258)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	10,205	(6,836)
Increase in Unearned Revenue Received/Receivable	28,768	16,800
Decrease in Benefit Plans	(50)	(941)
Cash Provided by Operating Transactions	17,400	10,419
Capital Transactions		
Purchase of Tangible Capital Assets (Note 8)	(102)	(625)
Cash Applied to Capital Transactions	(102)	(625)
Increase in Cash	17,298	9,794
Cash, Beginning of Year	45,275	35,481
Cash, End of Year	$ 62,573	$ 45,275

The accompanying notes and schedules are a part of these consolidated financial statements.

ALBERTA INNOVATES – HEALTH SOLUTIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE 1 AUTHORITY AND PURPOSE

Alberta Innovates – Health Solutions (the Corporation) is a Provincial Corporation, as defined in the Financial Administration Act, that was established on January 1, 2010 and operates under the authority of the *Alberta Research and Innovation Act*. The objects of the Corporation are to support, for the economic and social well-being of Albertans, health research and innovation activities aligned to meet Government of Alberta priorities, including, without limitation, activities directed at the development and growth of the health sector, the discovery of new knowledge and the application of that knowledge.

The Corporation is exempt from Canadian federal and Alberta provincial income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards.

a) Reporting Entity and Method of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the Corporation and its wholly owned subsidiary, Alberta Foundation for Health Research (AFHR). The AFHR operates under the *Alberta Companies Act* and is a registered charitable organization for income tax purposes. The Foundation's activities are directed to promote and support medical research. All intercompany balances and transactions have been eliminated on consolidation.

b) Basis of Financial Reporting

(i) Revenue Recognition

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue. Externally restricted revenue, including partnership revenue, is recognized as revenue in the period in which the resources are used for the purpose specified. Funds received prior to meeting the criterion are recorded as unearned revenue until the resources are used for the purpose specified.

Operating and unrestricted grants are recognized as revenue in the year the transfers are received or receivable. Restricted grants are included in unearned revenue when received, and recognized as revenue when the Corporation meets the conditions of the grant.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investment income is recorded on the accrual basis where there is reasonable assurance as to its measurement and collection. Gains and losses arising from disposals of investments are included in the determination of investment income.

(ii) Government transfers

Transfers from the Government of Alberta, other governments, and other government entities are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recorded as unearned revenue if the terms for use of the transfer, or the terms along with the Corporation's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the terms are met and, when applicable, the Corporation complies with its communicated use of the transfer.

All other government transfers, without terms for use of the transfer, are recorded as revenue when the Corporation is eligible to receive the funds.

(iii) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Interest expense includes debt servicing costs such as amortization of discounts and premiums, foreign exchange gains and losses, and issuance costs.

Directly incurred expenses are costs the Corporation has primary responsibility and accountability for. In addition to operating expenses such as salaries and supplies, directly incurred expenses also include:

- Amortization of tangible capital assets.
- Pension costs which comprise of the cost of employer contributions for current service of employees during the year.
- Valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

Grants are recognized as expenses when authorized, eligibility criteria, if any, are met, and a reasonable estimate of the amounts can be made.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(iv) Assets

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Corporation are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Tangible Capital Assets

Tangible capital assets of the Corporation are recorded at historical cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the assets. Tangible capital assets are amortized on a straight-line basis over the estimated useful lives of the assets.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide services or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

(v) Net Assets

Net assets represent the difference between the carrying value of assets held by the Corporation and its liabilities.

Canadian public sector accounting standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Corporation operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

(vi) Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Employee Future Benefits

The Corporation operates a defined contribution pension plan. Pension costs included in these consolidated financial statements are comprised of the cost of employer contributions for the current service of employees during the year. There are no unfunded liabilities with respect to pension and pension costs.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(vii) Valuation of Financial Assets and Liabilities
The Corporation's financial assets and liabilities are generally measured as follows:

Financial Statement Component	Measurement
Cash	Fair value
Accounts receivable and other assets	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Other than cash, the Corporation has no assets or liabilities in the fair value category, has not engaged in foreign currency transactions and has no remeasurement gains or losses. Consequently, no statement of remeasurement gains or losses has been presented.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expected for financial instruments measured at fair value.

(viii) Measurement uncertainty
The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these consolidated financial statements requires the use of estimates, which may vary from actual results. Management uses judgment to determine such estimates. In management's opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below.

NOTE 3 FUTURE ACCOUNTING CHANGES
(in thousands)

PS 3260 Liability for Contaminated Sites
In June 2010 the Public Sector Accounting Board issued this accounting standard effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. AIHS would recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. Management does not expect the implementation of this standard to have a significant impact on the financial statements.

NOTE 4 BUDGET
(in thousands)

A preliminary business plan with a budgeted deficit of $29,467 was approved by the Board on March 26, 2013 and the full financial plan was submitted to the Minister of Health. The budget reported in the statement of operations reflects the original $29,467 deficit.

NOTE 5 CASH
(in thousands)

Cash in the amount of $62,573 (2013 - $45,275) include deposits in the Consolidated Cash Investment Trust Fund (CCITF) amounting to $62,451 (2013 - $45,171). Cash as at March 31, 2014 includes restricted cash of $7,269 (2013 - $3,968). The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality, short-term and mid-term fixed income securities with a maximum to maturity of three years. As at March 31, 2014, securities held by the Corporation have a return of 1.19% per annum (2013: 1.23% per annum). Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

NOTE 6 FINANCIAL RISK MANAGEMENT

The Corporation's financial instruments include cash, accounts receivable and other assets and accounts payable and accrued liabilities. The Corporation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

The Corporation's financial instruments are exposed to credit risk, market risk and liquidity risk.

a) Credit Risk

Credit risk relates to the possibility that a loss may occur from the failure or another party to perform according to the terms of the contract. The Corporation's accounts receivable are exposed to credit risk. Management manages this risk by continually monitoring the creditworthiness of counterparties and by dealing with counterparties that it believes are creditworthy.

FINANCIAL RISK MANAGEMENT (Cont'd)

b) Market Risk

Market risk is the risk of loss from unfavourable change in fair value or future cash flows of a financial instruments causing financial loss. Market risk is comprised of currency risk, interest rate risk and price risk. The Corporation's cash is exposed to interest rate risk. Management manages this risk by continually monitoring the Corporation's deposits in the CCITF and their corresponding rate of return.

c) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet it obligations as they fall due. The Corporation's accounts payable and accrued liabilities are exposed to liquidity risk. Management manages this risk by continually monitoring cash flows.

NOTE 7 ACCOUNTS RECEIVABLE AND OTHER ASSETS

(in thousands)

	2014			2013
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$ 8,422	$ -	$ 8,422	$ 3,927
Other Receivables	105	-	105	66
	$ 8,527	$ -	$ 8,527	$ 3,993

Accounts receivable are unsecured, non-interest bearing and reported at their net realizable value.

NOTE 8 TANGIBLE CAPITAL ASSETS
(in thousands)

	2014				2013
	Equipment [a]	Computer hardware & software [c]	Leasehold improvements [b]	Total	Total
Estimated Useful Life	5-10 years	3 years			
Historical Cost					
Beginning of Year	$ 609	$ 1,846	$ 817	$ 3,272	$ 2,804
Additions	-	81	21	102	625
Disposals	(165)	(76)	-	(241)	(157)
	$ 444	$ 1,851	$ 838	$ 3,133	$ 3,272
Accumulated Amortization					
Beginning of year	$ 481	$ 1,017	$ 686	$ 2,184	$ 2,176
Amortization expense	13	146	64	223	152
Effect of disposals	(148)	(69)	-	(217)	(144)
	$ 346	$ 1,094	$ 750	$ 2,190	$ 2,184
Net Book Value at March 31, 2014	$ 98	$ 757	$ 88	$ 943	
Net Book Value at March 31, 2013	$ 127	$ 829	$ 132		$ 1,088

(a) Equipment includes office equipment and furniture, and other equipment.

(b) Leasehold improvements are amortized over the lease term.

(c) Historical cost includes computer hardware and software work-in-progress at March 31, 2014 totaling $399 (2013 - $487)

NOTE 9 UNEARNED REVENUE
(in thousands)

	2014				2013
	Federal Government	Government of Alberta	Non-Government	Total	Total
Balance, beginning of year	$ -	$ 8,225	$ 2,000	$ 10,225	$ 2,500
Received/receivable during year	2,912	25,634	150	28,696	16,750
Restricted realized investment income	-	72	-	72	50
Less amounts recognized as revenue	-	(13,973)	(1,257)	(15,230)	(9,075)
Balance, end of year	$ 2,912	19,958	893	$ 23,763	$ 10,225

NOTE 10 BENEFIT PLANS
(in thousands)

(a) Pension Plan

The Corporation participates in a Defined Contribution Pension Plan pension. The expense for this pension plan is $357 (2013 - $384) AIHS accounts for this plan on a defined contribution basis.

(b) Accrued Retirement Allowance

The Benefit Plans consists of the unfunded liability for the Corporation's supplemental retirement plan, the benefits under which are paid for entirely by the Corporation when they come due. There are no plan assets. There are no active members remaining in the plan and two retired members eligible for benefits.

At March 31, 2014 these plans have net accrued liability of $378 (2013-$428).

	2014	2013
Benefit Plans – Beginning of year	$ 428	$ 1,369
Interest cost	3	34
Benefits paid	(53)	(975)
Benefit Plans – End of year	$ 378	$ 428

NOTE 11 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(in thousands)

	2014	2013
Accounts Payable and Accrued Liabilities	$ 11,718	$ 1,412
Other	253	354
	$ 11,971	$ 1,766

NOTE 12 CONTRACTUAL OBLIGATIONS
(in thousands)

Contractual obligations are obligations of the Corporation to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2014	2013
Obligations under grants and awards and office premises	$ 205,624	$ 196,116

Estimated payment requirements for each of the next five years and thereafter are as follows:

	Grants and Awards (a)	Office Premises (b)	Total
2014-15	$ 67,649	$ 527	$ 68,176
2015-16	47,472	601	48,073
2016-17	34,482	682	35,164
2017-18	29,228	706	29,934
2018-19	19,693	698	20,391
Thereafter	1,443	2,443	3,886
	$ 199,967	$ 5,657	$ 205,624

(a) Grants and awards are recorded as commitments when all terms and conditions have been agreed to but eligibility criteria have not been met.
(b) The Corporation has entered into a 104 month lease for office premises. The lease was re-negotiated on January 29, 2014 and expires on September 30, 2022.

NOTE 13 APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors.

ALBERTA INNOVATES - HEALTH SOLUTIONS
Schedule 1
Expenses - Detailed by Object
For the Year Ended March 31, 2014
(in thousands)

	2014 Budget	2014 Actual	2013 Actual
Grants	$120,079	$ 93,598	$ 65,051
Supplies & Services	8,377	6,086	5,649
Salaries, Wages & Employee Benefits	5,909	5,342	5,010
Amortization of Tangible Capital Assets	375	223	152
Loss on Disposal of Tangible Capital Assets	-	24	13
	$ 134,740	$ 105,273	$ 75,875

ALBERTA INNOVATES - HEALTH SOLUTIONS
Schedule 2
Salary and Benefits Disclosure
For the Year Ended March 31, 2014
(in thousands)

	2014				2013
	Base Salary [1]	Other Cash Benefits [2]	Other Non-Cash Benefits [3]	Total	Total
Chair of the Board	$ -	$ -	$ -	$ -	$ 3
Board Members	-	26	-	26	32
Chief Executive Officer [4]	366	-	48	414	380
Chief Operating Officer	229	-	50	279	-
Executive:					
Vice President - Corporate Services [5]	110	-	23	133	197
Vice President – Health Technologies [6]	41	-	10	51	-
Vice President – Research & Innovation [7]	-	-	-	-	148
	746	$ 26	$ 131	$ 903	$ 760

(1) Base salary includes regular salary.

(2) Other cash benefits include earnings such as honoraria.

(3) Other non-cash benefits include employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plan, health care, dental coverage, group life insurance, short and long term disability plans and professional memberships.

(4) The amounts reported for the Chief Executive Officer reflect the compensation of two individuals at different times during the 2013 fiscal year.

(5) The Vice President – Corporate Services position was vacant at March 15, 2013 until August 12, 2013.

(6) The Vice President – Health Technologies is a new position and was effective November 4, 2013.

(7) The Vice President - Research & Innovation position was vacant at April 1, 2013 and there are no immediate plans to recruit this position.

ALBERTA INNOVATES - HEALTH SOLUTIONS
Schedule 3
Related Party Transactions
For the Year Ended March 31, 2014

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Entities in the Ministry refer to entities consolidated in the Ministry of Health. Other entities outside the Ministry relates to the remaining entities consolidated at the Provincial level. The Corporation had the following transactions with related parties which are recorded on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties.

For the period ending March 31, 2014 AIHS was included in the Ministry of Health, while the comparative period ending March 31, 2013 AIHS was included in the Ministry of Enterprise and Advanced Education. Each year reflects the entities in the Ministry based on that period's reporting structure.

	(in thousands)			
	Entities in the Ministry		Other Entities Outside of the Ministry	
	2014	2013	2014	2013
Revenues				
Grants	$ 100,363	$ 79,193	$ -	$ 8,575
Other Revenue	71	6	4	17
	$ 100,434	$ 79,199	$ 4	$ 8,592
Expenses – Directly Incurred				
Grants	$ 4,085	$ 61,622	$ 87,309	$ 1,784
Other Services	58	219	867	8
	$ 4,143	$ 61,841	$ 88,176	$ 1,792
Receivables from	$ 6,845	$ 517	$ 1,074	$ 2,500
Payables to	$ 549	$ 405	$ 9,860	$ 1
Unearned Revenue	$ 17,208	$ 1,750	$ 2,750	$ 6,475
Contractual obligations	$ 6,237	$ 191,840	$ 192,799	$ 698

ALBERTA INNOVATES - HEALTH SOLUTIONS

Schedule 4

Budget

For the Year Ended March 31, 2014

	Original Budget	Adjustments to Conform to Accounting Policy	Budget
		(in thousands)	
Revenues			
Government Transfers			
Government of Alberta Grants [1]	$ 98,893	$ 2,500	$ 101,393
Partnership Revenue [1]	5,500	(2,500)	3,000
Other Revenue [2]	880	(300)	580
Investment Income [2]	-	300	300
	105,273	-	105,273
Expenses [3]			
Highly Skilled People	89,359	17,824	107,183
Knowledge Translation	9,405	1,144	10,549
Innovation Platforms	2,768	3,000	5,768
ACPLF Initiatives	12,100	(12,100)	-
Emerging Opportunities	9,500	(9,500)	-
Operations	11,608	(368)	11,240
	134,740	-	134,740
Annual operating surplus (deficit)	$ (29,467)	$ -	$ (29,467)

[1] $2.5M from Alberta Health Services was originally reflected as Partnership Revenue. As the Corporation transitioned from the Ministry of Enterprise and Advanced Education to the Ministry of Health, this amount is now recognized as a transfer within the Ministry of Health.

[2] Interest Income was included in Other Revenue and has been reclassified to Investment Income.

[3] Original budget included separate expense categories for ACPLF Initiatives and Emerging Opportunities. These categories have been allocated to the three key initiatives as well as operational costs.

Annual Report Extracts and Other Statutory Reports

From June 3, 2013 through to March 31, 2014, there were no disclosures made regarding Alberta Health to the Public Interest Commissioner's Office pursuant to the *Public Interest Disclosure (Whistleblower Protection) Act*.